



Daily Report

East Asia

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Japan

Ministry Announces Yeltsin To Visit 11-13 Oct

OW0110015393 Tokyo KYODO in English 0112 GMT
1 Oct 93

[Text] Tokyo, Oct. 1 KYODO—Russian President Boris Yeltsin will visit Japan from October 11 to 13 after twice canceling trips during the past year, the Foreign Ministry said Friday [1 October]. Yeltsin will hold talks with Prime Minister Morihiro Hosokawa during his three-day stay in Japan, the ministry said. He is also scheduled to attend a luncheon hosted by economic organizations, it said.

Yeltsin, accompanied by his wife Naina, will have an audience with Emperor Akihito and Empress Michiko and attend a banquet at the Imperial Palace. They will also attend a luncheon hosted by Hosokawa.

The Russian president canceled two previous visits, once abruptly in September last year and again this May. He cited domestic problems as the reason for canceling the September trip but later blamed Japan's uncompromising attitude over a long-standing bilateral territorial dispute.

The row involves four Russian-held islands off Hokkaido—Etorofu, Kunashiri, Shikotan, and the Habomai Islets—which the former Soviet Union seized at the end of World War II.

The dispute has prevented the two sides from concluding a peace treaty and is the reason for Japan's reluctance to provide full economic aid to Russia.

Hosokawa To Assure Support

OW0110102693 Tokyo KYODO in English 1014 GMT
1 Oct 93

[Text] Tokyo, Oct. 1 KYODO—Prime Minister Morihiro Hosokawa will assure Russian President Boris Yeltsin of Japan's support for his reform efforts when the president visits Tokyo from October 11 to 13, a senior Foreign Ministry official said Friday [1 October]. Although Hosokawa has already voiced support for Yeltsin, it is meaningful to tell the president so directly, as Hosokawa will be the first leader among the Group of Seven (G-7) industrialized nations to meet Yeltsin following recent developments in Russia. Yeltsin is expected to hold at least two rounds of talks with Hosokawa during his visit.

Russian Foreign Minister Andrey Kozyrev is likely to accompany Yeltsin on his visit to Tokyo, the official said. Kozyrev and his Japanese counterpart Tsutomu Hata agreed on Yeltsin's trip to Japan during their talks in New York last weekend. The Russian president has twice canceled scheduled visits to Japan, once in September last year and the second time this May.

He cited domestic problems as reasons for his cancellation but later blamed the Japanese side for taking a tough stance on a bilateral territorial dispute involving four Russian-held islands off Hokkaido which the Soviet Union seized at the end of World War II. The row over the four islands—Kunashiri, Etorofu, Shikotan and the Habomai islets—has prevented the two sides from concluding a peace treaty.

Yeltsin visited Japan in July to meet G-7 leaders after their Tokyo summit talks.

Hata on Talks Over Islands

OW0110054693 Tokyo KYODO in English 0513 GMT
1 Oct 93

[Text] Tokyo, Oct. 1 KYODO—Foreign Minister Tsutomu Hata said Friday [1 October] Japan has to be patient in negotiating with Russia for the return of four Russian-held islands. Russian President Boris Yeltsin is scheduled to visit Japan from October 11 to 13.

"We have made our assertion (over the territorial dispute). But Russia faces difficult realities and its domestic situation may not allow progress (on the issue)," Hata told a press conference. "It is important for us to persistently negotiate and for there to be bilateral dialogue at every level," he said.

The former Soviet Union and Russia have occupied the four islands off Japan's northernmost main island of Hokkaido—Etorofu, Kunashiri, Shikotan and the Habomai group—since the end of World War II.

Hata said a settlement of the territorial dispute should come before the signing of a peace treaty, noting that solving the row would be the key to improving relations between Japan and Russia. A 1956 joint declaration which restored diplomatic relations between Japan and the Soviet Union includes a promise by Moscow to return Shikotan and the Habomai group to Japan after a peace treaty is concluded.

Yeltsin Not To Address Diet

OW0110103693 Tokyo KYODO in English 1023 GMT
1 Oct 93

[Text] Tokyo, Oct. 1 KYODO—Russian President Boris Yeltsin will not address the Diet during his October 11-13 visit to Japan because the government and opposition fear it would disrupt Diet debate on the proposed political reform bill, sources said Friday [1 October].

Although the Foreign Ministry has instructed its staff through an internal memo to inform the media that the reason for the omissions is "limitations posed by (Yeltsin's) schedule," the same sources also cited the Diet debate as the reason the lower house speaker will not host a reception for Yeltsin.

Although former Soviet leader Mikhail Gorbachev addressed the Diet when he visited Japan in 1991,

several factors are operating against Yeltsin being invited to make a speech to the Diet.

One is a strong lobby within the Liberal Democratic Party, the largest opposition party, opposed to such a speech because of what they say is strong anti-Russian sentiment among the Japanese people.

The governing coalition under Prime Minister Morihiro Hosokawa also fears any speech would disrupt debate on the proposed political reform bill scheduled to begin on October 12.

As a result of wrangling over the budget committee schedule, the coalition, which will not be able to present its case on the reform bill on October 8, wants to keep the Diet schedule free for debate on the bill.

Sakhalin Oil Talks With Russia To Resume

OW2909120093 Tokyo KYODO in English 1107 GMT 29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—Japan's Sakhalin Oil Development Cooperation Co. (SODECO) will resume negotiations with the Russian Government in Moscow next week on a long-delayed oil and natural gas development project off Sakhalin, Ministry of International Trade and Industry (MITI) officials said Wednesday [29 September].

The two sides will enter into working-level talks in the hope of sealing a formal pact as early as the end of this year and starting the project as early as 1994 so that commercial production may start in the early 21st century, the officials said. The resumption of the negotiations comes as Russia showed willingness to meet various requests by SODECO, including the addition of two oil fields for drilling, in an apparent move to cope with a shortage of energy and foreign currency, they said.

In 1972, Japan and the former Soviet Union agreed to cooperate in developing oil and natural gas off Sakhalin, and officially launched the project in 1975.

SODECO was set up for the project as a joint government and private-sector corporation, in which Japan National Oil Corp. and Itochu Corp. have a stake among other trading houses and oil companies. However, the project has effectively been frozen for more than 10 years because of political unrest in the former Soviet Union and Russia.

Since the situation changed with the end of the Cold War, Russia seems to have become more eager to develop oil and natural gas through international cooperation, the MITI officials said.

Recently, the Russian Government showed its readiness to almost accept SODECO's proposals for joint development, expansion of fields to be developed, and inclusion of Exxon Corp. of the United States among others, they said. Both sides will speed up negotiations from now on

to hammer out details of the project, such as an operational form, shares of capital, and fund-raising methods, they said.

Besides the SODECO project, another international consortium of Mitsui and Co., McDermott International Inc. and Marathon Oil Co. has also continued negotiations with Russia to develop oil deposits off Sakhalin. There is a possibility that the Mitsui Group may strike a basic agreement with the Russian side within this year, the officials said.

Russia apparently intends to save costs and expedite the development by having SODECO and the Mitsui Group hold basic facilities in common, they said.

Under the circumstances, there is a possibility that these two groups may start negotiations with each other to collaborate on their projects in the near future.

Hosokawa Reports to Diet on Clinton Talks

OW0110040093 Tokyo KYODO in English 0322 GMT 1 Oct 93

[Text] Tokyo, Oct. 1 KYODO—Prime Minister Morihiro Hosokawa vowed Friday [1 October] to pursue "active diplomacy" to meet the international community's expectations for Japan.

Hosokawa made the remark at a session of the House of Representatives Budget Committee. Foreign Minister Tsutomu Hata and Finance Minister Hirohisa Fujii also reported the outcome of their visit to the United States to the lower chamber. Hosokawa told the committee U.S. President Bill Clinton expressed support for Japan's reform efforts in the fields of politics, economic policies and administrative procedures.

"I accomplished the goal of building up a relationship of trust between Japan and the U.S.," he said.

In New York on Monday, Hosokawa delivered a speech at the United Nations General Assembly session and held a summit meeting with Clinton. Hata accompanied Hosokawa in the meeting and later held separate talks with a number of foreign ministers attending the U.N. session. Fujii represented Japan at a series of monetary meetings in Washington.

The lower house committee will resume its session Monday, launching three-day deliberations on such issues as legislation to rid corruption of the nation's political community and measures to bolster the economy, political sources said.

The House of Councillors budget committee then will have a three-day session Wednesday through Friday, the sources said.

Other topics will include a proposal to enact a bill empowering the foreign minister to order an overseas dispatch of military aircraft to rescue Japanese citizens

trapped in urgent hostile situations, like the taking of hostages during the Persian Gulf crisis.

Another possible point of contention will be the government's plan to import foreign rice as an emergency step to cope with the worst harvest in the postwar period.

The government announced Thursday it will import 200,000 tons of rice by the end of this year for processed foods. The emergency import is part of efforts to cover an expected rice supply shortage of about one million tons this year.

Financial Trade Talks With U.S. Begin

*OW0110015293 Tokyo KYODO in English 0126 GMT
1 Oct 93*

[Text] Washington, Sept. 30 KYODO—Japan and the United States started subcabinet-level talks in Washington on Thursday [30 September] on financial services trade aimed at easing government regulations and enhancing competition under a bilateral trade framework. The U.S. proposed discussing Japan's pension and investment trust markets, but both countries refrained from entering into specifics during Thursday's meeting, Japanese officials said. Both parties agreed to hold full-fledged discussion on the issues at the next subcabinet-level meeting, scheduled for the middle of October, the officials said. Participants at the latest meeting included Japanese Vice Finance Minister for International Affairs Kosuke Nakahira and U.S. Treasury Undersecretary Lawrence Summers.

On other issues, Japan and the U.S. agreed to start talks under two working panels within one month—one on promotion of exports and competition and another on competition policy and transparency.

Trade Official on Automobile Talks With U.S.

*OW0110122293 Tokyo KYODO in English 1123 GMT
1 Oct 93*

[Text] Nagoya, Oct. 1 KYODO—Vice International Trade and Industry Minister Hideaki Kumano ruled out the possibility Friday [1 October] that the domestic economy will worsen further. Generally speaking, the economy is now creeping at the bottom and will not worsen further, he told a news conference in Nagoya.

Kumano said it will take some time for the government's 6.2 trillion yen pump-priming package adopted in September to take effect because it embodies means to improve the economic structure. He said no additional steps will be implemented in the near future.

Referring to automobile trade talks between Japan and the United States, Kumano said it would be difficult for the Japanese auto industry to accept U.S. calls for further expansion of procurement from U.S. suppliers. It is important for Japan to seek U.S. understanding of the situation faced by the Japanese automobile industry, he said.

Mieno Returns From IMF, G-7 Meetings in U.S.

*OW0110094393 Tokyo KYODO in English 0733 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—Yasushi Mieno, governor of the Bank of Japan, returned to Tokyo on Friday [1 October] after attending a series of international financial meetings in the United States. Mieno attended a meeting held in Washington by finance ministers and central bankers from the Group of Seven industrialized countries, and meetings of the International Monetary Fund and the World Bank.

Tian Says Controversial Film To Appear in China

*OW3009133493 Tokyo KYODO in English 1227 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—Chinese film director Tian Zhuangzhuang said Thursday [30 September] his controversial film "The Blue Kite," which partly prompted a Chinese delegation's withdrawal from the Tokyo International Film Festival, has not been banned at home.

"Banned is not the proper word...(with this film) there is bound to be misunderstanding on the part of the inspection people...That's a process I have to go through," Tian said at a press conference.

"I feel that sooner or later they will get a chance to see it (in China). It is only a matter of time," said Tian, 41, who added that the system of inspecting films for release in China is not clearly defined.

"I am confident that the content of my film is not against any of the laws that the inspection department of China has set down," he said.

Tian said some recent films such as fellow "Fifth Generation" Director Zhang Yimou's "Judou" and "Raise the Red Lantern" could initially not be shown, but have since been released.

"The Blue Kite," entered in the festival's international competition, depicts the struggles of a young mother and her son in a rural village during political upheavals in the 1950s and 1960s, such as the Great Leap Forward and the Cultural Revolution.

The inclusion of the film and another unauthorized work called "Beijing Bastards" on the program led on Wednesday to the withdrawal in protest of the Chinese delegation, including two directors of official entries.

Tian declined to make any comment on the withdrawal. "I was not with the delegation. I've never met them. In fact, I just arrived and therefore cannot answer the question," he said.

On the delegation head's comments on Tuesday that the Beijing Film Studio owns the copyright of the film,

subject to a lawsuit against Hong Kong co-producers, and had not given permission for it be screened, Tian pleaded ignorance.

"As a film director, my primary and only concern is to make a film. Therefore, whether there is a lawsuit pending as to the investors involved is not at all my concern."

Tian entered the Beijing film in 1978 upon its reopening after the Cultural Revolution along with Zhang and Chen Kaige, who is also appearing at the festival. Their films have won worldwide acclaim. Tian, the son of a well-known actress, is best known for his 1986 film "House Thief." He said he made "The Blue Kite" inspired by memories from his childhood for people who had experiences similar to those of the characters in the movies, and for those who do not know about that period in China.

Further on Emergency Rice Import Announcement

Hosokawa Defines Limits

*OW3009132193 Tokyo KYODO in English 1251 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—Prime Minister Morihiro Hosokawa said Thursday [30 September] that emergency imports of rice will be limited to grain for processed foods, not the country's staple dish.

"It (the imports) will be only for rice for processed foods. I expect there will be enough supply for staple rice," he told reporters.

The Japanese Government announced plans earlier Thursday to import 200,000 tons of rice by the end of this year for processed foods.

Asked about growing calls from overseas to open Japan's rice market to imports, Hosokawa declined to make a direct comment. But he mentioned a Diet resolution on self-supply of rice, the nation's staple food.

Hosokawa To Visit Farmers

*OW0110085593 Tokyo KYODO in English 0824 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—Prime Minister Morihiro Hosokawa will visit rice growers in northern Japan on Sunday to get first-hand information about the nation's record-low rice harvest since the end of World War II, government officials said Friday [1 October]. The premier will inspect rice paddies in two districts of Fukushima, the officials said.

The Agricultural, Forestry and Fisheries Ministry announced Thursday the harvest index for the 1993 crop of rice as of September 15 slipped to an "extremely poor" 80 against the base figure of 100 for the average grain year. A rice harvest index of less than 90 is the first since 84 registered in 1953, according to the ministry.

The government decided the same day to import 200,000 tons of rice by the end of the year as an emergency step to cope with the worst harvest in the postwar period.

Farm Minister Eijiro Hata disclosed that Japan has sounded out Thailand, the United States and China on importing rice for processed foods and plans to consult those countries and South Korea about buying rice for everyday use.

The last time Japan made emergency imports of rice was in 1984 when it purchased 150,000 tons from South Korea for use in processed foods. An unusually cool and rainy summer with a rash of typhoons hit rice-growing areas in the Tohoku region in northern Japan as well as Shikoku and Kyushu in the south. The harvest index was put at 67 in Fukushima Prefecture.

The decision to import rice is widely expected to pave the way for opening Japan's market to foreign competition. Japan has resisted foreign calls to lift its virtual ban on rice imports, claiming it is necessary to maintain self-sufficiency in the staple food.

Foreign Minister Tsutomu Hata told reporters after a Friday morning cabinet session that the emergency rice import plan does not signal "a breakthrough in the liberalization of rice imports."

Foreign Minister Denies Policy Shift

*OW0110060793 Tokyo KYODO in English 0546 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—Foreign Minister Tsutomu Hata said Friday [1 October] the government's authorization of emergency rice imports to meet this year's domestic shortfall does not signal any "breakthrough" in foreign efforts to liberalize Japan's closed rice market. Hata told a press conference that Thursday's approval of a plan to import rice to cope with the worst harvest in the postwar period should be considered separately from the issue of permanently opening the rice market.

"I do not feel this portends a breakthrough in the liberalization of rice imports, nor do I think it should be considered as such," Hata said.

Hata, a former farm minister, said Japan has the potential to produce rice beyond market demand. He said the present situation resulted from aberrant weather conditions. Japan plans to import 200,000 tons of rice by the end of the year for processed foods. The last time Japan allowed emergency imports of rice was in 1984, when it purchased 150,000 tons from South Korea.

The government's decision has generated increased pressure from rice-exporting countries such as the United States, Australia, and Thailand for Japan to open its rice market.

Japan has resisted such calls on the grounds that the country, already the world's largest importer of agricultural products, needs to maintain self-sufficiency in its staple food.

USTR Applauds Decision

*OW0110015193 Tokyo KYODO in English 0119 GMT
1 Oct 93*

[Text] Washington, Sept. 30 KYODO—U.S. Trade Representative Mickey Kantor Thursday [30 September] applauded Japan's decision to fill this year's shortfall in its rice harvest through imports, saying the measure will create a "positive atmosphere" in global trade talks.

The Japanese Government has approved a plan to import 200,000 tons of rice by the end of this year to make up for the country's worst rice harvest in more than 40 years. Although Japanese officials have insisted that the plan is an "emergency" measure that has no bearing on Japan's position at the trade liberalization talks in Geneva, Washington sees it as a breakthrough.

"I think it creates a more positive atmosphere," Kantor said in commenting on the likely impact of Japan's rice import on the Uruguay Round trade talks.

The Uruguay Round negotiations have been stalled over attempts to incorporate new rules on farm trade in the general agreement on tariffs and trade (GATT). While the farm dispute in the Uruguay Round has focused on matters of export subsidies, Japan has refused to give up government control on rice imports.

"We hope there will be a growing liberalization of Japanese policies in many areas, whether in computers, or semiconductors or auto parts or autos, or in the agricultural sector," Kantor said. "We look forward to working with the Japanese...in the Uruguay Round," he said.

EPA To Monitor Price Rises

*OW0110032493 Tokyo KYODO in English 0247 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—The Economic Planning Agency (EPA) will monitor price trends closely to forestall any moves to raise product prices by taking advantage of an expected rise in rice prices, the EPA chief said Friday [1 October]. The EPA will check if an expected rice price hike due to the poor harvest will spill over to other products. Director General Manae Kubota told a press conference. The government announced Thursday that Japan will import 200,000 tons of rice as an emergency measure this year to make up for the supply shortage because of the worst harvest in the postwar period.

Farmers Union Calls for Stockpile

*OW3009180593 Tokyo KYODO in English 1417 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—The Central Union of Agricultural Cooperatives on Thursday [30 September] called on the government to establish quickly a rice stockpile policy to prevent a repetition of emergency imports of rice. The union was commenting on a government decision earlier in the day to undertake emergency rice imports to deal with shortfalls resulting from the worst postwar rice harvest this year. The union said in a statement that the government's decision caused great concern among the public about a stable rice supply. The emergency measures, however, have nothing to do with the liberalization of rice imports, the union said. It said the government should adhere firmly to a policy of achieving self-sufficiency in rice in resumed multilateral negotiations on free trade.

Government Tax Panel on Possible Increase

Member Suggests 7 Percent

*OW0110124693 Tokyo KYODO in English 1121 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—An influential member of a government tax panel on Friday [1 October] proposed a hike to about 7 percent in the consumption tax from the current 3 percent rate under the planned overhaul of Japan's taxation system.

Hiromitsu Ishi, Hitotsubashi University professor who is a member of the tax commission, also told KYODO NEWS SERVICE that the proposed increase in the tax rate might be preceded by an income tax reduction by up to one year. This is the first time a tax commission member has mentioned the scale of a possible hike in the consumption tax rate, one of the key proposals for revamping Japan's tax system, which is presently heavily dependent on direct taxes like the income tax.

Ishi's remarks can be taken as an indicator of future commission debate on the planned tax reforms, on which the commission will publish its recommendations on November 19.

Pointing out an inherent flaw of the current consumption tax system, Ishi said the poorer taxpayers are, the heavier are the tax burdens for them at present. The defect should be rectified to orient the system more to the type of consumption, he said, suggesting lower tax rates on foodstuffs, heavier taxes on assets, and other possible remedial measures.

Ishi said the rapidly graying society does not allow Japan to maintain the consumption tax at such low levels and projected a double-digit rate in the future.

"But a sudden rise to a double-digit rate would draw much resistance. So how about a 7 percent rate, which is the same level as Canada," he said. Ishi said a time lag of

up to one year from the income tax cut to the hike in the consumption tax rate would be acceptable.

"It could be considered a simultaneous implementation," he said.

Reform To Help Middle Class

*OW0110124893 Tokyo KYODO in English 1138 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—The planned overhaul of the tax system overhaul should pay particular attention to the heavily taxed middle-income wage earners, a subcommittee of a government tax panel agreed Friday [1 October]. The subcommittee of the tax commission, an advisory body to the prime minister, specified middle-income earners as those making around 10 million yen a year.

During its fifth meeting, the subcommittee also agreed that the highest tax rate for income and residential tax of 65 percent should be lowered so as not to discourage workers. Regarding the minimum taxable income, many subcommittee members said the current level is reasonable compared with international standards. But some noted the need for raising the level in case the 3 percent consumption tax rate is hiked.

Minimum taxable income is set at about 1.9 million yen for a couple without children and about 2.8 million yen for a couple with two children. On various deductions, the members agreed on the need for revising those allowed for spouses, mostly housewives, in view of the growing social activities of women. Many supported a cut in the corporate tax. The panel also agreed companies losing money should not be exempted.

MITI Official Accuses Mieno of Mismanagement

*OW3009133793 Tokyo KYODO in English 1250 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—A top official at the Ministry of International Trade and Industry on Thursday [30 September] criticized Bank of Japan [BOJ] Governor Yasushi Mieno for economic mismanagement.

"He did a good job in the first half of his term, but made mistakes in the latter half," said the official, who spoke on condition of anonymity.

"If mistakes had not been made in monetary policy, things would not be this bad," he said.

In the early days of his governorship, Mieno was applauded for his tight money policy, which helped burst the speculative "bubble" of astronomical spurts in asset prices. But his reluctance to change course at an earlier stage has been under attack as the economy has failed to recover despite a series of pump-primers.

The official also criticized the system of appointing BOJ chiefs under which BOJ officials and former Finance Ministry bureaucrats take turns in assuming the governorship.

"A politician would take responsibility when he fails. Now, everybody looks as if he is not responsible," he said.

Finance Minister Defends Economic Package

OW0110014893

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0109 GMT on 19 September, as part of its news magazine "Sunday Project" program beginning at 0100 GMT, carries a 42-minute live roundtable debate program, which is attended by Finance Minister Hirohisa Fujii. Also participating in the debate, moderated by commentator Soichiro Tawara, are Yoshiro Mori, general secretary of the Liberal Democratic Party (LDP); Masatake Kosaka, professor of Kyoto University; and Heizo Takenaka, professor of Keio University.

Tawara begins the program with a question on the continuing recession, and asks the finance minister's view on it, recalling that several ranking officials only several months ago claimed the economy had hit the bottom and would bounce up. Fujii says: "Around the time when Mr. Funada, then director-general of the Economic Planning Agency, said the economy hit the bottom more or less, it is true that the inventory cycle—which is a very important yardstick in assessing the economy—was on an up-swing. The inventory adjustment was in the stage of being completed." He cites the sharp yen appreciation as the reason for the economy not making the expected upturn. He says: "The sudden rise in the yen value has tripped the economy. Some people call the present state an economic standstill. I think their description is correct."

Tawara does not accept that answer readily, and asks: "But don't you think people had expected the yen to approach 100 to the dollar?" The minister replies: "I do not know how the companies prepared themselves, but, in general, I think, they had not expected this to happen so fast. The problem is that it happened so fast."

Tawara then adds his view, "Besides, we had a cool summer this year," and Fujii accepts it, saying "The impact of that was also great, indeed."

At 0111 GMT, the subject of the talks turns to what should be done about the economy. Professor Takenaka insists: "As far as the people in general are concerned, if they cannot visualize the economic outlook in medium terms, they feel uneasy and, therefore, cannot use their money." He adds: "Unless the government can show the people what it wants to do—or present the government's vision—the people cannot feel at ease enough to use their money or make investments." So saying, the professor asks the finance minister to give his view on that question.

But Minister Fujii evades giving a clear-cut answer to that question, and only says: "The so-called Hiraiwa Study Council has been inaugurated. I think the council will come up with a report—a sort of new but more comprehensive version of the Maekawa Report" (announced in 1986 under the Nakasone administration).

The new economic stimulus package is then discussed. Tawara says apparently the public is not happy with the 6-trillion-yen package, and notes the continued fall in stock prices. The finance minister defends the package, insisting that allegations that the package is "light in substance" is wrong. He cites as a specific example the loans for an additional 100,000 units of housing to the originally planned 600,000 units.

Tawara next brings up the question of whether or not the package was too small in scale and whether income taxes should be reduced as a way of helping the economic recovery. Asked to comment, Minister Fujii insists that if the package was bigger, it would be meaningless as it would be impossible to absorb and carry out so many projects at the same time. He points out that the new stimulus package comes on top of one put into force by the previous administration.

On the question of reducing income taxes, Fujii says: "It is only natural and common sense that reducing taxes should be desirable. But the problem is the government's financial resources. I want to tell you that we must not depend on deficit-covering public bonds as a way to make up the financial deficit."

Asked to give his view on the matter by Tawara, LDP General Secretary Mori says the income tax reduction should be implemented, saying, "It is the time for that." On the scale of the stimulus package, Mori says the government's is too small, and insists it should have been "more than 10 trillion yen."

At 0138 GMT, the subject turns to the question of whether the issuance of deficit-covering bonds should be acceptable. Finance Minister Fujii says he opposes increasing the government's deficit, recalling the difficult times the government had in the early eighties due to a financial deficit. "History proves that once deficit-covering bonds are issued, we are in trouble," Fujii insists.

Tawara and several others ask Fujii if the government should not go ahead and implement the income tax reduction in view of the given economic situation; but Fujii says firmly, "I oppose the reduction of the income taxes if it means issuing deficit-covering bonds." Tawara is persistent, and asks if the income tax reduction should not be considered in return for raising the consumption tax. Fujii avoids the issue, saying the Tax Council must come up with its view first. He says the question of raising the consumption tax is an extremely difficult one.

The roundtable discussion ends at 1051 GMT.

EPA Says Yen Rise To Reduce Consumer Spending

OW3009134593 Tokyo KYODO in English 0835 GMT 30 Sep 93

[Text] Tokyo, Sept. 30 KYODO—A 10 percent appreciation of the yen would reduce consumer prices in Japan by 1 percent in the long range and lead to a 2.65 trillion yen saving in household spending, the Economic Planning Agency (EPA) said Thursday [30 September]. In its "Price Report '93," the EPA also estimated a 10 percent rise in the yen's value would cut wholesale prices by 1.2 percent. The estimated saving in household spending was based on the 1992 final private consumption of 265 trillion yen.

The report noted that retailers, led by supermarkets, are actively passing on exchange gains to consumers following the recent surge in the yen's value on the foreign exchange market.

Normally, it would take a full year before such gains are passed on to consumers, the report said. Out of 40 import items under review, 21 fell in price in April, including famous-brand goods, foods and sporting equipment, the report said. From May to July, however, price falls stemming from the yen's surge tended to moderate, it said.

The report also said that some imported liquors were sold in Japan at prices lower than in Europe and the United States.

Prices of British-made Scotch and U.S.-made bourbon at liquor discount stores in Tokyo, for example, were 10 percent lower than in London, it said.

Department stores in Tokyo, however, sold Scotch at prices 100 percent higher than in Paris and Duesseldorf, Germany, and bourbon at prices 60 percent higher than in Paris, the report said.

MITI Head Gets Support for Bid System Reform

OW0110040293 Tokyo KYODO in English 0320 GMT 1 Oct 93

[Text] Tokyo, Oct. 1 KYODO—International Trade and Industry Minister Hiroshi Kumagai said Friday [1 October] his proposal for a broad reform of the bidding system for all government procurement received support from other ministers at a cabinet meeting Friday [1 October] morning. Kumagai told a news conference he proposed that a policy of making the tender system for public works more transparent, adopted by the Construction Ministry, should be applied to all other government procurement. He said government procurement could be made "more transparent and highly competitive" through a combination of checks by the management and coordination agency, the audit board and the fair trade commission, in addition to a clear bidding system.

Miyagi Governor Resigns in Construction Scandal*OW0110101193 Tokyo KYODO in English 0954 GMT
1 Oct 93*

[Text] Sendai, Oct. 1 KYODO—Miyagi Gov. Shuntaro Honma, under arrest on suspicion of bribery, tendered his resignation to Miyagi Prefectural Assembly Chairman Eifu Saito on Friday [1 October]. Saito received notification from Honma that he wished to resign through Honma's lawyer early Friday evening, prefectural officials said.

Public prosecutors arrested Honma on Monday on suspicion that he received 20 million yen in bribes from Taisei Corp., Japan's second-largest general contractor, in exchange for his favor in awarding a contract for a public works project. The assembly chairman will notify the prefectural election administration committee of Honma's resignation within five days from Saturday, the officials said. The committee will have to call a gubernatorial election within 50 days. The election is likely to be held in late November, they said.

Honma was elected governor for the first time in 1989. He is now in his second term.

LDP Official Denies Knowledge*OW2909091793 Tokyo KYODO in English 0852 GMT
29 Sep 93*

[Text] Tokyo, Sept. 29 KYODO—The Liberal Democratic Party's political reform chief, Hiroshi Mitsuzuka, rejected a challenge by a panelist at a two-day party convention Wednesday [29 September] that he knew of scandals involving politicians and construction companies. Mitsuzuka acknowledged personal ties with a prefectural governor and a mayor now in custody in connection with bribery allegations, but denied profiting from his friendship with them.

Prosecutors arrested Governor Shuntaro Honma of Miyagi Prefecture along with local LDP executive Mitsuo Moriya on Monday on suspicion of taking 20 million yen in bribes from Taisei Corp., a leading construction company. Political commentator Hajime Takano told Mitsuzuka, a House of Representatives member from a constituency in Miyagi Prefecture, that it was hard to believe he did not know what was going on. He also pressed Mitsuzuka to explain his political ties with Toru Ishii, mayor of Sendai, Miyagi's capital, who was arrested in June for allegedly taking 100 million yen in bribes from four major contractors.

Takano, one of six panelists at a symposium in the convention, told him, "you should not evade responsibility, as you are in a position to clear up party corruption."

Mitsuzuka said he did not know why Honma and Ishii collected such large amounts of money for an election campaign, and said he had told them to "wage a clean

campaign." He added, "their only rival was the Japanese Communist Party, so the elections were virtually free from any competition."

Mitsuzuka told the convention, attended by some 500 Diet members and regional representatives at the party's headquarters in Tokyo, that he is "determined to carry out a sweeping political reform" under the new party president, Yohei Kono.

The LDP was ousted from government for the first time in 38 years after it lost its majority in the July 18 general election. Kono succeeded Kiuchi Miyazawa as party president after the defeat.

Contractors Suffer Decline in Public Works Orders*OW3009101493 Tokyo KYODO in English 0938 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—Orders for public works projects placed with Japan's 50 major contractors in August posted the steepest decline on record, the Construction Ministry said Thursday [30 September]. The 50 builders during the month won orders valued at 548,785 million yen, down 40.6 percent from a year earlier and the second straight year-on-year fall.

Ministry officials blamed the August shrinkage, the sharpest since the ministry started keeping statistics in 1959, on a series of scandals involving major contractors, which have forced local governments to delay making deals. Another reason for the decline was the unusually large number of orders placed a year earlier.

Also in August, public works orders by the central government plunged 33.2 percent, while those by local governments were down 42.7 percent.

Another ministry report released simultaneously showed that 465 smaller contractors suffered a 6.0 percent drop in public works orders in August from a year earlier. The officials said the smaller companies also have been affected by bribery scandals because they usually form tie-ups with larger companies to bid for projects.

Watanabe Not To Participate in Study Group*OW3009103793 Tokyo KYODO in English 1018 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—Former Foreign Minister Michio Watanabe decided Thursday [30 September] not to participate in a nonpartisan study group in an apparent move to dismiss speculation that he may leave the Liberal Democratic Party (LDP) to tie up with Shinseito [Japan Renewal Party]. Watanabe, leader of the third largest faction in the opposition LDP, conveyed the decision to Masaaki Nakayama, a senior aide of the faction.

Nakayama quoted Watanabe as saying he supports the idea of setting up a nonpartisan study group by parliamentarians, but noted that he will not take part in such a group until a misunderstanding is dispelled.

Watanabe, who was also deputy prime minister under the government of Former Prime Minister Kiichi Miyazawa, ruled out splitting from the LDP, Nakayama said.

Nakayama said he later conveyed Watanabe's decision to Toshio Yamaguchi, an independent House of Representatives member, who has advocated the establishment of the group.

Yamaguchi, former labor minister, quit the LDP shortly before the July 18 lower house election.

Kozo Watanabe, a leader of Shinseito (Japan Renewal Party), and Kansei Nakano, chairman of the Democratic Socialist Party's [DSP] policy board, have expressed willingness to join the group, which will inaugurate in mid-October.

Shinseito and the DSP are members of the seven-party coalition government of Prime Minister Morihiro Hosokawa.

Third Term for Yamagishi as Rengo Chief

OW2909040093 Tokyo KYODO in English 0239 GMT
29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—The head of the Japanese Trade Union Confederation (Rengo), Akira Yamagishi, is almost certain to assume a third two-year term of office, union officials said Wednesday [28 September].

Yamagishi, 64, was nominated Wednesday for the presidency by a 30-member selection committee, which spoke highly of his coordinating role at the time of the installation of the coalition government of Prime Minister Morihiro Hosokawa.

Etsuya Washio, 55, head of the National Federation of Iron and Steel Workers' Unions, was nominated as general secretary of the eight-million-member Rengo, succeeding incumbent General Secretary Seigo Yamada.

Yamada, 63, had earlier expressed his intention to resign from the post, citing the need for a younger leadership, the officials said. In addition, Vice President Jinnosuke Ashida, 59, will assume the post of acting president, a position newly established by Rengo.

The new leadership will consist of 23 vice presidents, four vice general secretaries and 32 Central Executive Committee members, the officials said.

A Rengo convention, scheduled to be held on October 7 and 8, will formally endorse the proposed leadership lineup, the officials said. Rengo was established in November 1989 shortly after private and public sector trade union confederations agreed on a merger.

Economic Statistics for Aug, Sep Released

Housing Starts Rise

OW3009061493 Tokyo KYODO in English 0539 GMT
30 Sep 93

[Text] Tokyo, Sept. 30 KYODO—Japan's housing starts in August increased 10.9 percent from a year earlier to 137,281 homes, posting the 15th straight month of yearly gains, the Construction Ministry reported Thursday [30 September]. It compared with a growth rate of 4.6 percent in July. Starts for owner-occupied housing jumped 29.9 percent from a year earlier to 56,096 dwellings, marking the third consecutive month of year-on-year rises.

Construction of houses for sale increased 25.0 percent to 21,006 for the fourth straight month of yearly gains, following a 23.1 percent rise in the preceding month. Starts on condominiums increased 16.5 percent to 9,499, rising for the fourth month in a row after a 14.8 percent advance in July. Starts on houses for rent, however, declined for the fourth successive month, falling 6.0 percent to 57,418.

On a regional basis, housing starts in the Tokyo metropolitan area fell 2.0 percent, with rental housing starts dropping 20.5 percent. But starts on houses for sale in the capital jumped 29.2 percent and those on owner-occupied houses rose advanced 27.6 percent.

Industrial Output Falls

OW3009065293 Tokyo KYODO in English 0605 GMT
30 Sep 93

[Text] Tokyo, Sept. 30 KYODO—Japan's industrial production in August decreased for the second straight month, falling a seasonally adjusted 0.7 percent from the previous month, the Ministry of International Trade and Industry said Thursday [30 September]. Output at factories and mines edged down 0.2 percent in July after a 1.9 percent rise in June, the ministry said in a preliminary report. On an unadjusted basis, production continued dropping in August for the 23rd successive month of annual declines, falling 2.0 percent from a year earlier.

The ministry said the series of yearly drops was the longest ever. The previous record was seen in the 20-month streak from May 1974 through December 1975. Shipments in August decreased 1.1 percent from the previous month after flattening out in July. On a year-on-year basis, they declined 1.6 percent, posting the fifth consecutive month of yearly falls. August inventories edged up from the previous month for the fourth consecutive month, rising 0.7 percent after a 1.2 percent gain in July.

On a yearly basis, however, inventories decreased for the ninth straight month, falling 3.3 percent.

Unemployment Shows Increase*OW0110022193 Tokyo KYODO in English 0104 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—The ratio of job openings to job seekers continued declining and dropped to a seasonally adjusted 0.70 in August, down 0.02 point from the previous month, the Labor Ministry said in a monthly report released Friday [1 October]. The figure means there were 70 job offerings for every 100 job seekers in August.

Job openings decreased from a year earlier in almost all sectors, with those in the manufacturing sector dropping 26.0 percent and those in the wholesale-retail and food sector falling 18.7 percent. The transportation and telecommunications sector also saw a year-on-year decline of 18.3 percent in job offerings and the service industry posted a 13.8 percent drop.

In contrast, the construction industry marked a 0.9 percent rise in job offerings.

The Management and Coordination Agency said in a separate monthly report the nation's unemployment rate in August remained unchanged from the previous month at a seasonally adjusted 2.5 percent, staying at the same level for four months in a row. This is still considerably lower than rates in other developed nations, the agency said, though calculation methods vary.

The August unemployment rate in the United States stood at 6.7 percent, while that in Britain was 10.4 percent and in Canada 11.3 percent, according to the agency.

Japan's unemployment rate for men in August rose 0.1 percentage point from July to a seasonally adjusted 2.5 percent, while that for women fell 0.1 point to 2.6 percent. The number of all unemployed in August reached 1.67 million, comprising 980,000 men and 690,000 women. The total figure increased by 230,000 or 16.0 percent from a year earlier.

The number of people with jobs in August totaled 64.94 million, up 200,000 or 0.3 percent from a year before. The size of Japan's work force, including the unemployed, came to 66.61 million in August, up 430,000 or 0.6 percent from a year earlier.

The male work force was 39.52 million, up 340,000 or 0.9 percent from a year before, while the female work force increased by 90,000 or 0.3 percent to 27.09 million. By industry, agriculture and forestry-related jobs amounted to 3.81 million, falling by 300,000 or 7.3 percent from a year earlier and manufacturing jobs decreased by 320,000 or 2.0 percent to 15.37 million.

In contrast, construction jobs increased by 260,000 or 4.1 percent to 6.58 million, wholesale-retail and food services jobs rose by 80,000 or 0.6 percent to 14.42 million, and jobs in service industries rose 460,000 or 3.1 percent to 15.14 million.

Foreign Reserves Rise in Sep*OW0110092393 Tokyo KYODO in English 0844 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—Japan's foreign exchange reserves posted the seventh consecutive month-to-month increase at the end of September, rising 415 million dollars from August to 95.77 billion dollars, the Finance Ministry said Friday [1 October]. A Finance Ministry official said the mild increase resulted from "various factors" other than "interventions," including some transactions with the International Monetary Fund (IMF). The foreign reserves include convertible foreign currencies, gold and IMF special drawing rights.

Some Retail Prices Fall in Sep*OW0110021993 Tokyo KYODO in English 0114 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—Retail prices of 15 of 40 imported items surveyed fell in September in Tokyo's 23 wards, compared with 13 items in August, the Economic Planning Agency said Friday [1 October]. The number of imported items showing gains also increased to six from four, with retail prices of 19 items unchanged, the agency said.

Among those with price falls were shrimp, lemons, bananas, oranges, tea, spaghetti, jams, coffee beans and wine. The six items with price gains were grapefruit, cheese, beef, beer, coffeemakers and women's shoes.

The agency has taken a survey on retail prices of these items since early this year to monitor whether the yen's appreciation against the dollar is reflected in retail prices of imports.

Tokyo-Area Prices Up in Sep*OW0110021893 Tokyo KYODO in English 0110 GMT
1 Oct 93*

[Text] Tokyo, Oct. 1 KYODO—Consumer prices in Tokyo's 23 wards, an early indicator of inflation nationwide, climbed 1.4 percent in September from a year earlier due mainly to high vegetable prices, the government said Friday [1 October]. The pace of last month's increase in the consumer price index, however, slowed from rises of 1.6 percent and 1.8 percent in July and August, respectively, due to easing of vegetable prices, officials of the Management and Coordination Agency said.

In September, the index stood at 107.4 against a base of 100 for 1990. It showed a 0.1 percent gain from the previous month. Vegetable prices have been on the rise in recent months in the wake of an unusually cool and wet summer, but the margin of price gains in vegetables narrowed in September thanks to sunny weather late in the month. Fresh vegetable prices alone jumped 28.5 percent from a year earlier. They were up 40.3 percent in August.

Agency officials said the smaller increase in the index was also attributable to a decline in the price of fresh fruits, which fell 11.2 percent because of poor quality selection and slow demand due to the sluggish economy.

The agency said the slower increase was also due to declining prices for shirts and underwear, a trend usually seen in September as summer clothing gives way to autumn wear.

Assessing the latest inflation data, an official at the Economic Planning Agency (EPA) said price movements are in "a stable trend" because of stable prices of goods other than vegetables.

Excluding vegetables and other fresh foods, consumer prices in the Tokyo area rose 1.0 percent in September from a year earlier, the smallest increase in nearly five years. The pace of the increase was the slowest since October 1988, when consumer prices in Tokyo rose 0.9 percent from year-earlier levels.

The EPA official acknowledged that the upward trend in vegetable prices would continue for a while, but the situation should not be comparable to July and August. Other areas showing an increase were housing rents, amusement costs, tuition and other educational costs. Among those showing declines were electric appliances and fish.

The management and coordination agency also released the nationwide consumer price index for August, the latest month for which figures are available for the entire country. The index climbed 1.9 percent from a year earlier and 0.3 percent from July, to stand at 107.0.

Agency officials again attributed the increase mainly to higher vegetable prices, which surged 43.8 percent from a year earlier and 12.7 percent from the previous month.

Nomura Research Institute's Economic Forecast

*OW3009110093 Tokyo KYODO in English 0928 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—The Japanese economy should grow at a far slower rate than originally expected in the current fiscal year as the strong yen and the cool and wet summer have caused new problems, a private think tank said Thursday [30 September].

Nomura Research Institute projected fiscal 1993 economic growth at a marginal 0.3 percent, sharply down from its original estimation of 1.6 percent made at the end of June. The institute, affiliated with Nomura Securities Co., cited the series of scandals involving major contractors as another reason, along with the yen and the weather. For the next fiscal year, starting in April, the institute put the nation's economic growth at 0.8 percent, a downward revision from 2.2 percent forecast in June.

The figures have been calculated on an assumed dollar value of 107.50 yen for fiscal 1993 and 110 yen for the

coming fiscal year. They also take into account an expected income tax reduction, which the institute estimated at 3 trillion yen in fiscal 1993 and 6 trillion yen for fiscal 1994.

On the trade front, the institute expected Japan's current-account surplus to remain unabated despite the yen's gain in value, projecting a surplus of 143.4 billion dollars for fiscal 1993 and 141.5 billion dollars for the following year.

OECF Loans Agreed for FY 1992 Fell 24.1 Percent

*OW3009133993 Tokyo KYODO in English 0903 GMT
30 Sep 93*

[Text] Tokyo, Sept. 30 KYODO—The Overseas Economic Cooperation Fund (OECF) agreed to provide developing nations with loans totaling 866.1 billion yen in fiscal 1992, down 24.1 percent from the previous year, the government foreign aid agency said Thursday [30 September].

Including investment in those countries, the flow of money from the OECF totaled 874.7 billion yen in the fiscal year which ended March 31, falling 24.1 percent but outpacing those by major international lending agencies such as the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB), it said. The yen figure translates into 7.5 billion dollars at an exchange rate of 126.65 yen to the dollar, according to the OECF's annual report.

For example, the ADB alone approved loans totaling 5.1 billion dollars in calendar 1992. The IDB gave approval to loans totaling 6 billion dollars.

An OECF official attributed the fiscal 1992 decline to a record level of loans and investment in the previous fiscal year because of Japan's increased aid to Middle East nations following the Gulf war.

In fiscal 1992, the OECF provided developing countries with 688.1 billion yen in loans and investment, falling 24.3 percent but bringing outstanding loans and investment above 7 trillion yen for the first time.

Such outstanding fund disbursements totaled 7.44 trillion yen or 58.7 billion dollars in fiscal 1992, more than half those extended by the World Bank alone, the OECF said.

The OECF is a government agency providing soft loans to developing nations. It also makes investment in such countries, serving as a major channel through which Japan provides its foreign aid or official development assistance (ODA). In fiscal 1992, the OECF provided 43.6 percent of Japan's overall ODA and 58.2 percent of ODA on a bilateral basis.

Agency To Disclose Details of Nuclear Plant Bid
OW3009055793 Tokyo KYODO in English 0440 GMT
30 Sep 93

[Text] Tokyo, Sept. 30 KYODO—Details of an application to build a nuclear fuel reprocessing plant in Rokkasho, Aomori Prefecture, are to be made public by the science and technology agency, government sources revealed Thursday [30 September]. A group opposing the construction of the nuclear fuel recycling complex has demanded the release of the information, saying it is difficult to oppose the program without knowing the contents of the application.

The antinuclear group, based in Hachinohe, Aomori Prefecture, has filed a lawsuit to have permission to construct the complex rescinded. The agency promised to make public the documents at a hearing in June when the group raised its objections, and indicated it would do so by the year-end.

Some parts of the application will still not be disclosed, however, for reasons of safeguarding the nuclear material and to protect industrial secrets.

The Rokkasho complex, some 500 kilometers north of Tokyo, will include a uranium enrichment plant, a low-level nuclear waste storage facility, and a reprocessing plant for spent fuel. Designed to meet Japan's future energy needs, the plant is scheduled to open in 2000.

Scientists Develop Compound To Fight Acid Rain
OW3009090893 Tokyo KYODO in English 0711 GMT
30 Sep 93

[Text] Osaka, Sept. 30 KYODO—Scientists from Hokkaido said Thursday [30 September] they have developed a new highly efficient catalytic compound which could help stop acid rain by breaking down and removing sulfur compounds in oil.

A team working under Professor Masatoshi Sugioka, an expert in applied chemistry at Muroran Institute of Technology in Hokkaido, unveiled the finding at a conference beginning Thursday of the Chemical Society of Japan at Kwansei Gakuin University in Nishinomiya, Hyogo Prefecture.

The team said use of the catalyst, a type of hydrous acid chloride, results in a considerably higher rate of breakdown of sulfur compounds than occurs with the use of acidic molybdate, the substance the world's oil refineries currently use. The catalyst is in combination with rare metals, including rhodium from the zeolite group. The zeolite group are silicates which are used in water softening and as absorbents and catalysts.

The team said the discovery opens the way for developments in desulfurization, a process vital to the prevention of the kind of environmental destruction which results from acid rain.

The team relied for their experiments on strongly acidic fluorides and the hydrolyzing properties of rhodium. Rhodium is a metallic element which is resistant to acids and occurs in platinum ores.

The team compared catalytic efficiencies in the hydrodesulfurization process by looking at the rate of breakdown of sulfur compounds produced by combining a rhodium chloride solution in reaction with a range of zeolites.

They found that despite the presence of highly acidic ultra-stable zeolites, the breakdown rate after a 10-minute interval was as high as 98 percent.

Sugioka said that if the effectiveness of the catalyst can be further raised, it will not only reduce atmospheric pollution, but will improve the safety of desulfurization equipment currently operating at high temperature and high pressure.

"The next thing is to reduce the amount of costly rhodium," he said.

North Korea

Founding Anniversary of PRC Celebrated

PRC Envoy Hosts Reception

SK3009055893 Pyongyang KCNA in English 0436
GMT 30 Sep 93

[Text] Pyongyang, September 30 (KCNA)—Qiao Zonghuai, Chinese Ambassador to Korea, hosted a reception at his embassy Wednesday evening on the occasion of the 44th founding anniversary of the People's Republic of China.

Qiao said in his speech that in the past decades the Korean people, under the leadership of their great leaders Comrade President Kim Il-song and Comrade Kim Chong-il and the Workers' Party of Korea, have built Korea, once backward, into a socialist country, independent in politics, self-sustaining in the economy and self-reliant in defence, by fully displaying the revolutionary spirit of self-reliance and hard work, upholding the banner of the three revolutions, ideological, technical and cultural, while consistently following the road of socialism.

"The Chinese party and Government always support a series of reasonable initiatives and proposals put forward by the Korean party and Government to realize an independent and peaceful reunification of the country and relax the tense situation on the Korean peninsula," the ambassador said.

Touching the sino-Korean friendship, he said the party and Government of China would invariably maintain the established policy of developing the friendship and make every possible effort for it, no matter how the international situation may change in the future.

Kim Yong-sun, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea, said in his speech that the Chinese people are now making dynamic efforts to build socialism with Chinese characteristics in response to the resolutions of the 14th Congress of the Communist Party of China and the first session of the Eighth National People's Congress.

"We are sincerely rejoiced over the achievements made by the Chinese people and wholeheartedly wish them greater success in their future efforts for socialist construction and the reunification of the whole country," he said.

"The Korean-Chinese friendship is continuously developing on good terms though the present international situation is complex," he noted, and added:

The imperialists and reactionaries are now resorting to every conceivable despicable move to stifle socialism won and defended by a great many Korean and Chinese sons and daughters at the cost of their blood and lives, and undermine the Korean-Chinese friendship, but it will end in failure like in the past.

Envoy, Kim Yong-sun Speak

*SK0110021193 Pyongyang Korean Central
Broadcasting Network in Korean 0100 GMT 30 Sep 93*

[Text] On the evening of 29 September, Qiao Zonghuai, PRC ambassador to our country, held a banquet at the embassy to mark the 44th anniversary of the founding of the PRC.

Invited were Comrade Kim Yong-sun, alternate member of the Political Bureau and secretary of the Central Committee of the Workers Party of Korea [WPK]; Chong Chun-ki, chairman of the Committee for Cultural Relations with Foreign Countries; Yi Cha-pang, chairman of the Central Committee of the DPRK-Chinese friendship association and chairman of the State Science and Technology Committee; Kim Yang-kon, director of a department of the WPK Central Committee; Kim Kwang-chin, vice minister of the Ministry of People's Armed Forces; Cho Kyu-il, vice minister of Foreign Affairs; and Yi Song-nok, vice chairman of the External Economic Committee. PRC Embassy officials attended the banquet.

Ambassador Qiao Zonghuai spoke at the banquet:

He said that the DPRK is a friendly neighbor of China and that the Chinese people have always been interested in the Korean people's cause for socialist construction. He said that under the leadership of the great leader President Kim Il-song, Comrade Kim Chong-il, and the WPK, the Korean people have constantly maintained the road to socialism in the past decades; have brought into full play the revolutionary spirit of self-reliance and fortitude in hearty response to the three revolutions—ideological, technological, and cultural—and have turned the DPRK, which was once backward, into a

socialist country that is independent in politics, self-sufficient in economy, and self-reliant in national defense.

He added that the Chinese party and Government have always supported a series of reasonable initiatives and proposals put forward by the WPK and government to realize the independent and peaceful reunification of the country and relax the tense situation on the Korean peninsula.

He said that President Kim Il-song once again elucidated a correct road to peaceful reunification of Korea by putting forward the 10-point program of great unity of the whole nation for reunification of the country in April. He said: We hope that the Korean people's struggle to realize the cause of national reunification will bear new fruit. He added: We believe that the day of the Korean reunification will come without fail.

Referring to Chinese-DPRK friendship, he said that the peoples of the two countries have developed a deep and firm friendship while supporting and cooperating with each other along the road of socialist construction over a long period of revolutionary struggle.

He stressed that the PRC's third generation leading staff headed by Comrade Jiang Zemin have greatly valued the great friendship, which Comrade Mao Zedong, Comrade Zhou Enlai, Comrade Deng Xiaoping, and other old Chinese generation revolutionaries have built and developed with Comrade President Kim Il-song. He added that regardless of any changes that may take place in the international situation, the Chinese party and Government will invariably maintain the existing policy of developing Chinese-DPRK friendship and will make all efforts toward it.

Comrade Kim Yong-sun spoke next.

He pointed out that since the PRC was founded 44 years ago, the hundreds of millions of Chinese people, who were suppressed by foreign imperialists and the domestic reactionary ruling class, have become the masters of the nation, and that the socialist system has been built on the wide Chinese land. He said that since the PRC was founded, the Chinese people have turned the backward and undeveloped China into a strong socialist state by bringing into full play the revolutionary spirit of self-reliance and fortitude under the CPC leadership.

He said that the Chinese people are making dynamic efforts to build socialism with Chinese characteristics in response to the resolutions of the 14th CPC Congress and the first session of the Eighth National People's Congress. He said that we sincerely rejoice over the achievements made by the Chinese people who are our neighbors. He said that we wholeheartedly wish them a greater success in their future efforts for socialist construction and the reunification of the whole country.

He said that even though today's international situation is complex, the DPRK-Chinese friendship develops

favorably and constantly. He noted that even though the imperialists and reactionaries are now employing every conceivable despicable move to stifle socialism gained and defended by hundreds of thousands of Korean and Chinese sons and daughters at the cost of their blood and lives, and to undermine the DPRK-Chinese friendship, the move will end in failure like in the past.

After saying that we will make every effort to always value DPRK-Chinese friendship and further strengthen it in keeping with the common desire of the peoples of the two countries, he added that he is convinced that DPRK-Chinese friendship, which has overcome the tribulations of history, will be constantly strengthened and developed through our joint efforts.

The attendees toasted to the growth and prosperity of the PRC, long life and good health of the great leader Comrade Kim Il-song, long life and good health of the dear leader Comrade Kim Chong-il, and long life and good health of the Chinese leaders, including respected Comrade Deng Xiaoping and Comrade Jiang Zemin.

Kim Il-song Sends Greetings

*SK0110061993 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 30 Sep 93*

[Text] The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and DPRK president, sent a congratulatory message to Comrade Jiang Zemin, general secretary of the CPC Central Committee and PRC president; and Comrade Qiao Shi, chairman of the Standing Committee of the National People's Congress [NPC] of the PRC, on the 44th anniversary of the founding of the PRC.

The message reads:

Beijing.

Comrade Jiang Zemin, general secretary of the CPC Central Committee and PRC president; and Comrade Qiao Shi, chairman of the NPC Standing Committee of the PRC:

I extend my warm congratulations to you and to the CPC Central Committee, the PRC Government, and the Chinese people on behalf of the WPK Central Committee, the DPRK Government, and the Korean people, and in my name on the 44th anniversary of the founding of the PRC.

Over the past 44 years since the founding of the PRC, the industrious Chinese people have built a prosperous, new socialist China in the Chinese land under the CPC leadership overcoming manifold difficulties. Today the Chinese people are actively struggling to promote the stability and unity of the whole country, consolidate the successes achieved in socialist construction, and realize the modernization of the country. The Korean people are very much pleased to witness the increasing might of

the PRC, and express their firm solidarity with the Chinese people in their just efforts to reunify the whole country.

The Korean-Chinese friendship is a solid friendship that has weathered all kinds of ordeals. The traditional Korean-Chinese friendship with long historical roots will be endlessly strengthened and developed according to the desire of our two parties, the two countries, and the two people and by their joint efforts.

Taking this opportunity, I heartily wish you and the Chinese people greater success in the struggle for building socialism with Chinese characteristics.

[Signed] Kim Il-song, general secretary of the WPK Central Committee and DPRK president.

[Dated] 29 September 1993, Pyongyang

Kang Song-san Greets Li Peng

*SK0110005893 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 30 Sep 93*

[Text] Comrade Kang Song-san, premier of the State Administration Council, has sent a greetings message to Comrade Li Peng, premier of the PRC State Council. In the message, he sends warm congratulations to the Chinese people on the 44th anniversary of the founding of the PRC.

The message said that the Chinese people have attained great success in the struggle to build modernized socialism under the leadership of the CPC over the last 44 years, overcoming all difficulties. The Korean people are truly pleased with the Chinese people's success, and express their firm solidarity with the Chinese people's efforts to reunify the whole country, the message noted.

The message also noted the conviction that the traditional DPRK-PRC friendship will be further developed and wholeheartedly wished Li Peng great success in his responsible work for the growth and prosperity of the country.

Daily Observes National Day

*SK0110095393 Pyongyang KCNA in English 0427
GMT 1 Oct 93*

[Text] Pyongyang, October 1 (KCNA)—NODONG SINMUN in an editorial today extends warm congratulations to the fraternal Chinese people on the 44th founding anniversary of the People's Republic of China.

The founding of the Republic made it possible for the Chinese people to make a new history of China as masters of their own destinies for the first time in history, stresses the editorial.

It says:

The whole process of revolution and the present realities in China show that socialism is the only way to put an end to exploitation and oppression of man by man,

ensure the popular masses true democratic freedom and rights and promote the wellbeing of the people.

The fraternal Chinese people now are working hard to attain the stability and unity of the whole country and build a modernized socialism with Chinese characteristics under the leadership of the Communist Party of China.

The party and Government of China are pursuing a peace-loving foreign policy and striving for peace in Asia and the rest of the world.

The Korean people are rejoiced over the achievements made by the fraternal Chinese people and extend solidarity to them in their efforts to realize the country's reunification on the principle of "one country, two systems."

Noting that the traditional Korea-China friendship which was created and fostered by the leaders of Korea and China is now developing favourably, the editorial says:

It conforms to the desire and interests of the two peoples to further cement and develop the Korea-China friendship by displaying comradely fraternity at present.

The world imperialist reactionary forces are trying overtly and covertly to completely destroy socialism by taking advantage of the change in the international situation.

To strengthen the Korea-China friendship is beneficial to defending the cause of socialism and accelerating the revolution and construction in the two countries. We believe that the two peoples of Korea and China will faithfully fulfill their duties and the blood-sealed Korea-China friendship will further strengthen and develop in this course.

We sincerely wish the fraternal Chinese people great success in their efforts to carry out the tasks set forth by the 14th Congress of the Communist Party of China and the 1st session of the 8th National People's Congress.

ROK Premier's Remarks Termed 'Balderdash'

*SK3009063993 Pyongyang KCNA in English 0453
GMT 30 Sep 93*

[*"Papers Rap 'Reunification' Ballad of South Korean Puppet Prime Minister"—KCNA headline*]

[Text] Pyongyang September 30 (KCNA)—South Korean "Prime Minister" Hwang In-song recently showed up at a "government"-sponsored function called "games of northern provincial people" and spun out a string of trash about the reunification of the country. He blared that South Korean authorities were "making efforts" for the "consistent promotion of the reunification policy."

Papers here today say that the South Korean authorities can never evade their responsibility for bringing the North-South confrontation to a more acute phase and fostering division, stepping into the treacherous old shoes of the "Fifth and Sixth Republics," whatever tricks they may play with the "reunification" ballad.

A NODONG SINMUN analyst notes that the "games of northern provincial people" itself held by the South Korean authorities was an anti-communist burlesque which was intended to incite North-South confrontation and foster division, not to promote reconciliation and cooperation with fellow countrymen.

He says:

The anti-communist burlesque and the "reunification" ballad are inconsistent with each other.

Hwang In-song that day claimed that the "reunification proposal" had not been carried into practice due to the "nuclear suspicion" against the North. This is, indeed, a shameless mishmash reversing black and white.

In kicking up a dust, peddling the fictitious "nuclear problem" the South Korean authorities pursue the criminal aim of inciting North-South confrontation and doing harm to fellow countrymen with the help of outside forces and gratifying their desire of "unification by prevailing over communism." It is an act devoid of a shred of conscience for them to trumpet about "reconciliation" and "cooperation" while trying to do harm to fellow countrymen at whatever cost.

The South Korean authorities resumed this year the "Team Spirit" nuclear war manoeuvres which had been suspended last year and then staged the "Ulchi 93" and "Ulchi Focus Lens" war games and increased tensions by infiltrating even a spy boat into our side's territorial waters recently when the exchange of special envoys was on the order of the day.

It is a base and despicable act, which lifts a corner of the curtain to reveal the depravity of the "civilian government" for them to attempt to lay the blame at the other's door after deliberately lowering the checkbar on the road of dialogue, opposing reunification.

A MINJU CHOSON analyst says that the utterances of Hwang In-song were a tricky balderdash to mislead public opinion, concealing the crimes of the new "government" of South Korea which has engaged itself in confrontation and division, going against the North's efforts for peaceful reunification and the desire of the fellow countrymen for it.

CPRF Secretariat on ROK Police Reinforcement

*SK3009104593 Pyongyang KCNA in English 1007
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification

[CPRF] of the Fatherland Wednesday issued its Information No. 636 denouncing the South Korean ruling quarters for their massive reinforcement of the fascist police in an attempt to suppress the people who call for independence, democracy and reunification.

According to the information, some time ago, the South Korean ruling quarters decided to increase the "operation funds" for 222 police stations and some 3,400 police booths throughout South Korea respectively 1.7 times and 2.1 times and double the number of patrol vehicles next year.

They increased the mobile riot police by more than 17,000 men in February and April and installed "special detective teams" in city and provincial "police agencies".

The information says:

The South Korean authorities have systematically reinforced and installed huge police forces in only some months since the appearance of the new "regime". This proves that they have been engaged in fascist suppression under the signboard of deceptive "civilian politics".

The repressive function of the South Korean fascist police remains unchanged even after the emergence of the so-called "civilian government" and has become all the more outrageous and intelligent.

The South Korean ruling quarters' recent decision to drastically reinforce the police under the pretext of "public peace" is an open revelation of their intention to more heinously crack down on the ever-mounting struggle of people for independence, democracy and reunification.

The reinforcement of fascist repressive forces is incompatible with "civilian politics."

Delegation Leaves for UN General Assembly

*SK3009061893 Pyongyang KCNA in English 0513
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—A delegation of the Democratic People's Republic of Korea led by Vice-Minister of Foreign Affairs Song Won-ho left here today by air to participate in the 48th U.N. General Assembly.

It was seen off at the airport by Vice-minister of Foreign Affairs Kim Chang-kyu.

Nigerian Independence Day Observed

Kim Il-Song Greets Leader

*SK0110094593 Pyongyang KCNA in English 0421
GMT 1 Oct 93*

[Text] Pyongyang, October 1 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on September 28 sent a message of greetings to Ernest A.

Shonekan, head of the Interim National Government of the Federal Republic of Nigeria and commander-in-chief of the Armed Forces, on the occasion of the 33rd anniversary of the independence of Nigeria.

Expressing the belief that the friendly relations between the two countries will continuously develop, the message wishes him and the Nigerian people great success in the work for national unity and democratic development of the country.

Friendship Gathering Marks Day

*SK3009054893 Pyongyang KCNA in English 0429
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—A friendship gathering took place at the Korea-Nigeria Friendship Pyongyang Kaeson Senior Middle School Wednesday on the 33rd anniversary of the independence of Nigeria.

Nigerian Ambassador to Korea, Olugbenga Ayodeji Ashiru, and his embassy officials were invited to the gathering.

Present there were Cho Chan-ku, vice-chairman of the C.C. [Central Committee], Korean Movement's Union and vice-chairman of the Korea-Nigeria Friendship Association, other officials concerned and teachers and students of the school.

The participants saw a performance given by art circle members of the school.

Dailies Observe Anniversary

*SK0110110793 Pyongyang KCNA in English 1028
GMT 1 Oct 93*

[Text] Pyongyang, October 1 (KCNA)—Papers here today observe the 33rd independence day of Nigeria.

After the independence the Nigerian people have been striving to remove the aftermaths of the colonial rule and develop the national economy in a multi-faceted way, MINJU CHOSON in a by-lined article says, and goes on:

The Korean people rejoice at the Nigerian people's achievements in their struggle to attain prosperity of the country by developing the economy.

Following a non-aligned foreign policy, Nigeria is paying deep attention to the work for unification and unity of Africa.

Korea and Nigeria established the bonds of friendship and are developing them, though they are far away from each other geographically.

Believing that the friendship between Korea and Nigeria will further strengthen and develop in the future, the Korean people wish the Nigerian people new success in their work for building a new society.

Peruvian Communist Group Meets KSDP Official

*SK3009053693 Pyongyang KCNA in English 0412
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—Kim Pyongsik, chairman of the Central Committee of the Korean Social Democratic Party [KSDP], Wednesday met and had a friendly talk with a delegation of the Peruvian Communist Party [PCP] led by Renan Rafo Munoz, general secretary of the PCP Central Committee.

The head of the delegation said during their stay they visited various places, being accorded warm hospitality, and in this course saw grand monumental edifices the Korean people built by their united efforts.

In Panmunjom they witnessed at first hand the concrete wall, a product of the scheme of the U.S. imperialists and the South Korean authorities to keep Korea divided into two for ever, he said, adding: "The wall of division must be pulled down at an early date."

Expressing support for the cause of anti-imperialist independence of the Workers' Party of Korea and the Korean people, he said Korea's reunification must be realized on the basis of "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by the great leader Comrade Kim Il-song.

MINJU CHOSON on Botswana National Day

*SK3009104193 Pyongyang KCNA in English 1010
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—MINJU CHOSON today dedicates a by-lined article to the 27th anniversary of the independence of Botswana.

After the independence the Botswanan people have struggled to remove the consequences of the long-drawn-out colonial rule and build a new life, the article says, and continues:

Externally pursuing the policy of non-alignment, Botswana is developing friendly relations with many countries of the world. In particular, it is striving to develop cooperation for the economic development of the region and the continent.

The Korean people believe that the friendship between Korea and Botswana will grow stronger and develop in the future, and wish the Botswanan people greater success in their work for the prosperity of the country.

Korean Student Group From Japan Arrives

*SK3009055993 Pyongyang KCNA in English 0437
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—The 200th home-visiting group of Korean students in Japan headed by Pak Yong-tok arrived in Wonsan Wednesday by the ship "Mangyongbong 92" to visit the socialist homeland.

Price Assessment Workers Hold National Meeting

*SK3009050493 Pyongyang KCNA in English 0409
GMT 30 Sep 93*

[Text] Pyongyang, September 30 (KCNA)—A national meeting of price assessment workers was held here over September 28-29.

The meeting reviewed the achievements and experiences gained in the implementation of the price policy of the Workers' Party of Korea [WPK] and discussed the measures to improve socialist price assessment as required by the developing revolution.

Kang Song-san, Politburo member of the C.C. [Central Committee], the WPK and premier of the Administration Council, and other senior party and government officials were present at the meeting.

Han Song-yong, Politburo member and secretary of the C.C., the WPK, conveyed the congratulatory message of the WPK Central Committee to the national meeting.

The congratulatory message said the price assessment workers had fixed and applied prices in conformity with the will of the masses and the actual demands of the economic development in each stage of the developing revolution and thus positively contributed to running the national economy in a planned and rational way and substantially providing the working people with an independent and creative life.

"Thanks to the popular price policy of the party, the prices of consumer goods have been lowered on more than 50 occasions in our country since its liberation and additional benefits worth billions of won have been granted to the people every year," it noted.

The message highly estimated the great achievements made by the price assessment workers throughout the country in the implementation of the price policy of the party by fulfilling in a responsible manner the tasks in the price assessment with a high sense of loyalty to the party and the revolution.

Kim Tal-hyon, alternate Politburo member of the C.C., the WPK and vice-premier of the Administration Council, made a report at the meeting.

The reporter said that to correctly work out a price policy and implement it to the letter in conformity with the transitional features of socialist society is a major task facing the working-class party and state in the efforts to run the economy in a planned and rational way and improve the people's standard of living.

"The great leader Comrade Kim Il-song expounded a unique idea and theory on prices in socialist society and established a Korean-style socialist price assessment system by applying the immortal *chuche* idea in price assessment, thus providing us with a powerful weapon to correctly solve the price question," said the reporter.

"The dear leader Comrade Kim Chong-il published the classical work 'On Some Questions in Price Assessment' and other works, enriching the great leader's church-oriented idea and theory on price assessment as required by the new stage of the developing revolution and energetically guided the work to implement them."

"A new turn must be brought about in socialist economic construction and price assessment so that Korean-style socialism can be defended and the party's revolutionary economic strategy be carried out creditably," the reporter noted, proposing measures to that end.

Speeches were made at the meeting.

A letter of pledge to President Kim Il-song and Comrade Kim Chong-il was adopted there.

20th Anniversary of Pyongyang Metro Noted

SK3009102593 Pyongyang KCNA in English 1002 GMT 30 Sep 93

[Text] Pyongyang, September 30 (KCNA)—A meeting was held Wednesday to mark the lapse of twenty years since the Pyongyang metro opened to traffic.

The great leader President Kim Il-song declared to the world the opening of the subway to traffic in September, 1973.

The Pyongyang metro is a modern underground structure ensuring the convenient traffic of citizens of the capital and a center of mass education playing an important role in bringing home to the working people the revolutionary exploits of the party.

In a congratulatory message to the employees of the metro administration, the Central Committee of the Workers' Party of Korea highly appreciated their activities, noting that their unassuming efforts and feats are associated with the Pyongyang metro which is now loved by the people as a powerful means of traffic in the capital city and well known to the world as a grandiose and beautiful "underground palace".

Addressing the meeting, Yi Kwang-chin, director of the metro administration, recalled that the great leader has always paid deep attention to the management and operation of the metro and the dear leader Comrade Kim Chong-il has wisely led the metro to play a big role in solving the traffic problem for the citizens of the capital.

A message of pledge to Comrade Kim Chong-il was adopted at the meeting.

Government Observes Chusok as National Holiday

SK3009083193 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 30 Sep 93

[From the "Our People are Joyfully Celebrating Chusok" Program]

[Excerpts] The great leader Comrade Kim Il-song has taught that visiting ancestral tombs on Chusok [Harvest Moon Day—15 August by lunar calendar] and joyfully celebrating Tano Festival [fifth day of fifth lunar month] are our people's old customs.

Chusok Day is 30 September [15 August by lunar calendar]. [passage omitted]

This day is being observed as a holiday both in cities and farms. People visit their ancestral tombs and enjoy folk customs all day long.

The dear leader Comrade Kim Chong-il said that visiting ancestral tombs and holding memorial services reflect noble traits of our people, who attach importance to etiquette and to the moral sense. [passage omitted on historic background of Chusok and types of celebrations]

Chusok Day is designated as a national holiday in our country so everyone can equally celebrate this day. In addition, the state is operating regular and temporary trains and buses for the convenience of those who visit their ancestral tombs. This is the upright policy of our party and the government of the Republic, which inherited treasures, and is developing our nation's excellent fine customs and traditions.

South Korea

Foreign Minister on UN Sanctions Against North

SK0110033093 Seoul YONHAP in English 0256 GMT 1 Oct 93

[Text] Washington, Sept. 30 (YONHAP)—U.N. sanctions on North Korea are a last resort and it won't be too late to wait at least one or two weeks more, South Korean Foreign Minister Han Sung-chu said Thursday.

Hardline voices are rising within the International Atomic Energy Agency (IAEA), but even if the agency adopts a resolution against North Korea, Seoul does not intend to immediately seek U.N. Security Council sanctions, he said.

"South Korea and the United States believe it is better to give North Korea some time, at least one or two weeks, and it won't be too late to take stern measures after that," Han told South Korean correspondents here.

Sanctions do not, after all, necessarily guarantee that Pyongyang will abandon its nuclear development, he said.

"There are no indications that Pyongyang has recently made progress in nuclear development," Han said. "No indications of additional production of nuclear materials."

"But there is no way to determine how advanced the program is or how much plutonium it has in store."

Seoul and Washington are consulting for a summit in either Washington or Seattle before or during the Asia-Pacific Economic Cooperation leaders' meeting in November, said the foreign minister.

If they decide to meet in Washington, D.C., President Kim Yong-sam would visit the capital for about two days, he said.

Foreign Minister Cited

SK0110054993 Seoul YONHAP in English 0528 GMT 1 Oct 93

[Text] Washington, Sept. 30 (YONHAP)—South Korean Foreign Minister Han Sung-chu delivered a message of patience on the North Korean nuclear situation to U.S. Congressmen on Thursday.

Han, here for a brief visit during his attendance at the U.N. General Assembly, talked with Rep. Thomas Foley, Chairman of House Foreign Affairs Committee Lee Hamilton and Chairman of the Senate East Asian and Pacific Affairs Subcommittee Charles Robb, his spokesman said.

He explained South Korea's position that the two countries should try some more to persuade North Korea before enforcing any sanctions, the spokesman said.

The foreign minister said he wanted to mobilize all means of persuasion, but inevitably resort to sanctions if they do not work, he said.

Han flew in after a meeting in New York among foreign ministers of Asia-Pacific Economic Cooperation (APEC) members.

The meeting, hosted by U.S. Secretary of State Warren Christopher, exchanged opinions on future political developments in the Asia-Pacific region, priorities in APEC policies and their execution, South Korean officials said.

The foreign ministers agreed on giving Mexico membership to APEC but failed to decide on Chile and Papua New Guinea, they said.

DPRK Envoy on IAEA Moves To Adopt Resolution

SK0110010893 Seoul YONHAP in English 0050 GMT 1 Oct 93

[Text] Vienna, Sept. 30 (YONHAP)—North Korea struck back Thursday at the International Atomic Energy Agency (IAEA) for moves to adopt a resolution against it, demanding the agency first address its fairness.

Roving Ambassador Yi Sang-hyon, taking the floor at the agency's 37th general meeting here, accused certain members of the nuclear watchdog of politically abusing the IAEA to exert pressure against North Korea.

Forty-three members had submitted a resolution to the meeting earlier in the day urging the Stalinist state to negotiate with the IAEA on fullscope nuclear inspection.

The agency proposed holding negotiations from Oct. 5 to 8, but the likelihood of this happening is getting slimmer as North Korea takes an increasingly hardline stance.

Yi said that the two sides must first discuss and solve the IAEA Secretariat's unfairness and bias before expecting resolution of the North Korean nuclear situation.

Apparently pointing to the United States as he described a superpower out to crush communism, Yi said the IAEA was being controlled by a country that is trying to force open Pyongyang's military installations.

The IAEA, he said, must take full responsibility for the problems between North Korea and the agency.

Answering reporters on why Pyongyang is not obligated to accept IAEA inspections, the ambassador recalled that North Korea has not begun legal procedures to formally suspend its withdrawal from the Nuclear Nonproliferation Treaty (NPT).

North Korea may have declared it is suspending its pullout, but the decision was purely a political one and no steps were taken to formalize it, said Yi.

"We, therefore, have no legal responsibilities to adhere to the nuclear safeguards accord," he said. "Under such extraordinary circumstances, we don't have to accept inspections. It is unfair of IAEA to unilaterally demand the inspections."

Pyongyang's proposal to hold negotiations with the IAEA early this month was foiled because the IAEA board of governors adopted a resolution against North Korea, Yi said.

But Pyongyang may wait and see the IAEA Secretariat's attitude in the coming days and decide whether to okay the agency's proposal for Oct. 5-8 talks, he said.

Kim Yong-sam Gives Armed Forces Day Speech

SK0110042793 Seoul KBS-1 Television Network in Korean 0217 GMT 1 Oct 93

[Speech by ROK President Kim Yong-sam during the ceremony marking the Armed Forces Day at the Armed Forces Headquarters in Kyeryongdae, South Chung-chong Province—live]

[Text] My dear fellow countrymen, officers and men of the Armed Forces, and foreign and domestic dignitaries:

Today I celebrate the significant 45th anniversary of the founding of the ROK Armed Forces with all the fellow countrymen. I extend the warmest encouragement to the officers and men who are at this moment devoting themselves to defending the country both in the front and in the rear.

This year's ROK Armed Forces Day is significant, in particular, because the new civilian-controlled government has been launched and Kyeryongdae, headquarters of the three services of the Army, Navy, and Air Force, has been opened.

For the past 45 years, our Armed Forces have brilliantly implemented their duties of defending the national territory in the face of all difficulties. Early on, when the ROK Armed Forces were founded, that is, when our Armed Forces were in their infancy, they had to defend the country when the Korean war broke out.

Even though, at the time, they were in an incomparably inferior place in terms of weapons and military forces, they had to cope with aggression with naked fists. Boldly rising up with patriotic enthusiasm alone, many youth did not hesitate to devote themselves to defending the country.

Along with the nation-saving idea of the National Liberation Army, the valuable fighting spirit has become a mental mainstay of our Armed Forces.

Throughout the war and the armistice, our Armed Forces have grown momentarily, both in quantity and in quality. While checking the provocation of North Korea, the most bellicose in this world, the Armed Forces have laid a foundation for national development.

Outfitted with the most modern equipment of various types made by our own hands and technology, our Armed Forces have become a strong crack unit.

As a member of the multinational forces, our Armed Forces brought into full play their superiority in the Gulf war for world peace. Our Armed Forces are at this time serving and sweating under the hot sun in Somalia as part of the UN peacekeeping operation forces.

Our fellow countrymen have taken pride in and felt reassured at the growing appearance of the Armed Forces.

My dear fellow countrymen and officers and men of the Armed Forces:

Our Armed Forces are being reborn again with the advent of the day of the civilian-controlled government. Of course, we had the unhappy days when the honor of our Armed Forces was injured.

Since I was inaugurated as president, I have done my best to regain the true honor of the Armed Forces. By conducting the military reform, I have let those in civil and military services be placed on their right track.

Even though their roles are different, those in civil and military services are the two wheels that should guarantee the freedom and right of the people and should provide happiness and prosperity for the people.

Only when those in civil and military services become properly balanced and harmonious with each other can the country be peaceful. Only then can the nation be developed.

Our Armed Forces have made bold efforts to innovate themselves in keeping with this new era. Our Armed Forces had to sometimes overcome sufferings that are difficult to endure.

Now our Armed Forces have been born again as democratic Armed Forces and are enjoying the people's trust. Our people now have deep trust and love for the Armed Forces. The soldiers who have chosen to devote themselves to the country should enjoy the people's love and respect. Our people will wholeheartedly encourage and support the members of the Armed Forces who are serving to defend the country at the risk of their lives.

So long as we have people who love freedom and democracy and clean and strong Armed Forces, the future of our country is bright. This year is the first year that the Armed Forces make a leap forward and become the Armed Forces of the people and for the people, the new Armed Forces for the new era. Therefore, I would like to call this year the first year of the new ROK Armed Forces. I have deep trust in our Armed Forces, and will do my best to enhance their honor and prestige. [applause] I will help create a climate of the new ROK Armed Forces in which the officers and men of our Armed Forces will be proud of their military uniforms, will feel honored for their ranks, and regard their military service as the people's proud duty. [applause]

My dear fellow countrymen, officers and men of the Armed Forces: This Kyeryongdae, where the headquarters of the three services of the Armed Forces are located, is the heart of the defense of the country, both in name and reality. Seeing the three services of the Armed Forces united in one mind with coordination and harmony gives the people greater trust in the Armed Forces. Each service of the Armed Forces should develop together with the other services maintaining balance between them. The combined operations of the Armed Forces' three services will maximize our defense capability. The government will continuously push ahead with the Armed Forces' modernization plan to make them the best crack army. [applause] We will make strong Armed Forces which will help realize the peaceful reunification of the country and contribute to world peace.

My dear fellow countrymen, officers and men of the Armed Forces: Peace is not something that is given by someone else. We must achieve it with our own strength. Peace can only be maintained when we have the capability of defending it. [applause] The capability of defending peace comes, in the first place, from the people's sound awareness of national security. We should be more cool-headedly aware of the stern reality of our national security.

While the whole world is opening a new era of reconciliation and peace, the Korean peninsula remains an island of the Cold War. While various nations that waged war against each other for thousands of years are reconciling with each other and achieving peace, conflict and tensions still continue on the Korean peninsula where fellow countrymen live.

While the people in North Korea go hungry because of serious food shortages, North Korea is building up its arms further. North Korea has recently been intensively deploying arms near the truce line. In particular, North Korea is stubbornly persisting in the pursuit of nuclear weapons development. North Korea is developing the Nodong-1 missile, and it has already succeeded on it. Whom do you think North Korea is targeting with these nuclear bombs and missiles?

Our security means that we should defend ourselves on our own. Only when we have the strength, can we defend peace and secure the national assets.

We should give a clear message to North Korea that no one can make light of us. The mission of defending the country is a supreme order bestowed upon all of us.

I, as president, will make the best efforts in fulfilling the sacred responsibilities of safeguarding the state as provided to me by the Constitution. [applause]

I would like to ask all the people, as well as you officers and soldiers of the Armed Forces, to be united in carrying out this supreme task.

You should be aware that the national security of the civilian government based on the people's support is firmer than ever. North Korea should also be aware of this. [applause]

My dear people and officers and soldiers of the Armed Forces:

I once again confirmed the greatness of our people while leading the drive for change and reform for the last seven months. Our people are cherishing their warm wish for change and reform. Willingly accepting to share the pain, our people have actively participated in the reform drive. I infinitely thank our people for their participation in the reform and I have the conviction that our reform drive will surely succeed.

Our reform drive is a campaign for making the country one that is worth defending by risking our lives. [applause]

The new Korea is the country that is full of justice; the country in which man's dignity is realized; the country in which an advanced economy and the welfare and happiness of all the people are guaranteed; the country of self-defense with the strength with which we can defend ourselves; and the country that is respected in the international society because of high economic power and morals. As long as the intense aspiration for building

such a country is being realized, our security will be firm and thus no one can make light of it. [applause]

We will achieve reunification by all means by building the new Korea. [applause]

Let all of us have dream and courage! Let all of us advance together with confidence!

I once again salute the 45th anniversary of the founding of the Armed Forces. I wish the Armed Forces their infinite development.

Members of the Armed Forces and my fellow people:

Thank you. [applause]

* Experts Forecast Development on Peninsula

932C0169A Seoul CHUGAN CHOSON in Korean
1 Jul 93 pp 14-19

[Article by reporter Chin Hyong-chun]

[Text] Domestic and foreign experts on Korean affairs forecast the possibility of Korea being unified by the year 2000 and also foresee a highly possible regrouping of the South Korean political world. According to these experts, North Korea will be thrown into confusion by 1996 due to a power vacuum created by the retirement or death of Kim Il-song, and a popular uprising will break out in 1996.

These prognoses were included in the "The Korean Peninsula As It Heads for the 21st Century" released by the "Committee on the Forecast for the Korean Peninsula of the 21st Century," a research team led by Professor Choe Pyong-kil at Yonsei University.

The report analyzes the forecast for various events that will be likely to happen on the Korean Peninsula between 1993 and the year 2000, made by 50 domestic and foreign experts on Korean affairs, including U.S. and Russian experts, in response to the written questionnaires covering the political, economic, and social fields. The questionnaires were sent to them on two occasions in 1992.

Each of the 50 Korean and foreign experts was first asked to mention 10 major events that they think will be most likely to happen in North Korea and South Korea. Subsequently, they were asked whether they believe the events mentioned by a majority of the respondents will actually happen. At the same time, they were also asked to express their views regarding the possible ramifications and measures to cope with them. "The Korean Peninsula As It Heads for the 21st Century" is a report on the outcome of this survey.

The Korean scholars who took part in this survey include: Professor An Pyong-chun at Yonsei University;

Kim In-ho, director of the Institute for Consumer Protection; and DP assemblymen Cho Sun-sung. The American scholars include: Robert Scalapino, former professor at University of California at Berkeley; Michael Mazar, senior research fellow at the Institute for Strategic and International Studies; Ralph Klap, professor at Johns Hopkins University. The Japanese scholars include: Teruo Komaki, department chief at the Asian Economic Institute; Haruki Wada, professor at Tokyo University; Ryoza Sunobe, former Japanese ambassador to Korea. Other foreign experts include: Loengrin Eremenko, former minister at the Russian Embassy in Seoul; Valeriy N. Zemskov, former minister at the Russian Embassy in North Korea; Xu Changming, former counselor at the Chinese Embassy in North Korea.

Particularly noteworthy in this survey, which was completed in late 1992, is the prediction made by the Korean and foreign scholars participating in this survey that there would be unrest within the DLP in 1993 because of new events, such as the disclosure of properties owned by public officials, after a new government is installed. These scholars forecast a regrouping of the political world in South Korea, such as the bolting of the DJP faction from the DLP and a partial dissolution of the DLP over the scandal touched off by the disclosure of property owned by government officials and other developments in the aftermath of the reform policy of the new government.

The North Korean regime will undergo three stages of change in the 1990's. After passing the early period of change in which the internal conflict intensifies, the regime will enter the middle stage of utter confusion in which even Kim Il-song's unitary ideology will be challenged, and finally move into the last stage in which the socialist system will collapse, leading to the unification of Korea.

In North Korea Kim Chong-il will succeed to power between 1993 and 1996. In this period the special economic zones will be established in Nampo and the Najin-Sonbong Tumen River basin. North Korea will do its utmost to achieve an economic recovery through these special economic zones. In addition, North-South economic and cultural exchanges will be realized, and North Korea's relations with the United States and Japan will improve. Further, an inter-Korean summit will be possible. However, before or after 1995 there will be political and social confusion because of a de-Kimilsongization movement and a popular uprising; and economic difficulties will get worse due to the failure of the third economic plan.

The Kim Chong-il regime will be driven into a quandary for these reasons: its strained relations with Russia and China; the tough military policy of the United States, Japan, and the ROK in coping with North Korea's refusal to accept nuclear inspections; and effective and appropriate UN countermeasures.

A new political force will emerge in North Korea in 1998 after going through a change of government in the aftermath of the collapse of the socialist system and a military coup; and North Korea will move into a market economy and participate in the process of unifying Korea.

South Korea will enter a period of reform in which reform measures taken by the new civilian government that comes into being in 1993 will remove in a positive manner many structural problems that have accumulated since the Third Republic. The accelerating reform drive will attain maturity in the mid-1990's, and the whole of Korea enter the stage of realizing unification at the initiative of a modernized South Korea.

To be more specific, a political restructuring in South Korea and North-South summit talks will materialize under the new government in 1993, and changes will be completed in 1994 accompanied by the perfection of a global diplomatic network indicative of the ROK's stable foreign relations, and by the success of internal political and economic reforms. As a result of these early changes and the success of reforms, South Korea will achieve its economic maturity in 1995 accompanied by a trade surplus; its social maturity in 1996 through the implementation of diverse welfare measures; and its political maturity in 1997 with the debut of a reformist party in the National Assembly.

South Korea will attain the status of an advanced nation in 1998 with the realization of a one-day life zone, and progress will climax as the nation moves into the process of unification in the year 2000. For South Korea, the latter part of the 1990's will mark a period in which it will be moving toward consummating unification by making structural reforms oriented toward the new century and by joining the ranks of advanced nations.

These developments are examined on a year-by-year basis below.

North Korea will be in a period of change and internal conflict in 1993. The Seventh Party Congress or a party conference will be held in an effort to cope with the crisis facing socialism by strengthening the regime and uniting the people around it and to counter the peace offensive of South Korea. But a tighter control will be clamped on its inhabitants as unrest spreads among those who have access to information on the outside world as a result of the development of full-fledged North-South economic cooperation and the limited opening of the Mt. Kumgang and Mt. Paekdu areas.

In South Korea efforts will be made to effect substantive changes under the new government. Possibly, there may be some friction in the process of liquidating corrupt legacies of the old era and in the bold reform process, and there may be a rapid political restructuring. When it comes to forecasting the possibility of political restructuring, nearly 70 percent of the experts saw a strong possibility; and 75 percent said it will take place in 1993.

Particularly, all the Japanese experts surveyed foresee a high probability of political restructuring.

On the other hand, an internal dispute may erupt in the DLP in the process of a structural fine-tuning for achieving a new balance of power, and the DLP will be weakened by scandals related to properties owned by its officials. There is the possibility that members belonging to the DJP faction will bolt the party en masse to join the remnant forces of the Fifth Republic and independents. As to the timing for such bolting or the weakening of the DLP, 90 percent of the respondents said those events will take place by 1994, and approximately 50 percent predicted that they will happen in 1993.

In this period, both North Korea and South Korea will have economic difficulties. The North Korean economy will keep on deteriorating as a result of the failure of the Seventh-Year Plan. South Korea also will be faced with a crisis in the process of drawing up a new economic plan and readjusting economic policies.

The North and South will vie with each other trying to take the initiative in developing their relationship. As a result, North-South dialogues will be revitalized, eventually leading to North-South summit talks. (Yuriy Banin), chief of the Far Eastern division of the Institute of Eastern Studies under the Russian Academy of Social Sciences, foresaw a strong possibility of such summit talks by saying, "Kim Il-song will need a summit meeting in order to establish contacts between his successor and the South Korean president." Jia Ou, deputy director of the Center for International Affairs under the Chinese State Council, also predicted such possibility by saying, "It is possible that there will be an inter-Korean summit meeting with a view to solving the nuclear issue and establishing diplomatic relations between North Korea and Japan and between North Korea and the United States."

In the foreign relations field, North Korea expects to establish diplomatic relations with Japan through improvement in the bilateral relationship, and it is expected to improve its relations with Taiwan. On the other hand, South Korea will have a more intimate relationship with Russia.

North Korea will enter a period of continuing internal conflict in 1994. In this period North Korea and South Korea will be connected to each other by land and air transportation routes, and the Beijing-Pyongyang-Tokyo route and the Tokyo-Seoul-and Beijing route will be established. With the realization of full-fledged economic exchanges, the possibility of a partial disarmament appears on the horizon. Against this backdrop, exchanges between North Korea and South Korea will be expanded both in quantity and quality. Experts anticipate that the leading force in the full-fledged North-South exchanges will be Kim Chong-il, who has a weak power base.

However, from the moment Kim Chong-il is guaranteed of succession to power by law, a full-scale power struggle

breaks out inside the establishment. Victor Sipayev, chief analyst on the North Korean and South Korean economies at the Institute of Eastern Studies under the Russian Academy of Sciences, prophesied as follows:

"A merciless power struggle will erupt between the supporters of the regime and its opponents in the post-Kim Il-song era. Major supporters are mostly members of the state and party apparatuses propped up a broad machinery of oppression, including members of all security organizations and military officers. The opponents to the Establishment will be the masses led by a small number of party leaders and party functionaries. The conflict between these two forces may possibly touch off a civil war."

North Korea will approach the United States and Japan by using its withdrawal from the nuclear nonproliferation treaty (NPT) and its development of nuclear development as a trump card. It will enter the stage of establishing diplomatic relations with Japan in 1993 and try to improve its relations with the United States in 1994.

South Korea, while in the middle of readjusting the impacts of reforms, will establish formal diplomatic relations with Cuba and perfect its diplomatic structure worldwide. In the economic field, South Korea will leap into a mature national economy by implementing the use of real names in financial transactions, strengthening the concept of land for public well-being, and completing a series of economic reform measures, including financial deregulation. In the political field, the National Security Law will be revised, and there will be a change in the personnel structure of the military. The opinion will emerge that calls for the abolition of the National Security Law as a symbolic gesture to North Korea.

North Korea will be in a period of internal confusion in 1995. In this year internal confusion will erupt because of the power vacuum caused by the retirement or death of Kim Il-song.

Vasiliy Mikheyev, chief of the Far Eastern division of the Institute for the Socialist Economic System under the Russian Academy of Sciences, predicted: "When Kim Il-song dies, his death will touch off a struggle for power. Leaders of the new generation will be freed from the ideological shackles of the partisan generation."

Chang Qinyen, director of the Institute of Asian and African Studies in Beijing University, said, "Nobody can replace the prestige of Kim Il-song. A civil war is possible after his death."

Ralph Clough, professor at Johns Hopkins University, predicted that "In this period Kim Il-song's capacity to control the country will markedly diminish due to his senility." The professor said "it is possible to predict that 1997 will be the year in which Kim Il-song will step down."

Some scholars see the possibility that North Korea will develop nuclear weapons or start war in an attempt to find a way out of this crisis. Bacheslav Lazubayev, Pravda Beijing correspondent, made this forecast:

"The North Korean authorities believe that the possession of nuclear weapons and so forth is the most reliable means of struggle against the United States and South Korea. There is a rumor that North Korea is building a third nuclear reactor. North Korea has some amount of weapon's grade plutonium. I think North Korea will be able to build its first nuclear bomb in 1994 or thereabout. Kim Il-song will use it as a trump card in negotiations with the United States, South Korea, and others."

Nissho Iwai President Sumio Nakajima said: "North Korea will prefer to maintaining its troop strength. But for fiscal reasons and due to the expansion of economic measures, it will gradually reduce the force level. On the other hand, the modernization of equipment will continue. It will come into possession of a nuclear bomb in 1994."

In this same period, thanks to the results of the economic reform undertaken in the early stage of the new government, South Korea will move into a highly technology-intensive industrial structure and enter the stage of economic maturity, liberalizing its farm markets on the strength of the trade surplus. On the basis of economic stability, South Korea will build up its military strength by attaining a hardware-intensive military capability, and participate in the cooperation system in Northeast Asia, usher in an advanced information age, and experience a de-urbanization trend. However, social unrest is anticipated because of the emergence of progressive, extremist groups and the after-effects of modernization.

A majority of the experts who took part in the survey forecast that there will be a popular uprising in North Korea in 1996. They pointed out the shortage of food and other daily necessities caused by the economic recession and the skepticism about the regime as the underlying causes. Accordingly, there will be few government initiatives in this period.

A professor at a Russian Marxist Youth College predicted, "The dissatisfaction of the inhabitants with the Kim Il-song system will surface in the form of a demand for the rehabilitation of those people who were persecuted in the past." Hideshi Takeshita, chief of the Asian-Pacific section of the Japanese Defense Institute, said, "The grumbling of those diplomats or students who returned from overseas will grow, and there will be small-scale terrorist acts."

Yi Tong-pok, South Korean representative to the North-South high-level talks, predicted, "It is possible that North Korean inhabitants will flee to the South en masse because of tough measures taken to suppress large-scale mass demonstrations demanding democracy."

Some respondents see the possibility that in South Korea a reformist party will make its debut in the National Assembly through a general election and the opposition parties will win the general election.

North Korea will enter a period of ideological reform in 1997 after going through changes and confusion. The ebbing of the *chuche* ideology and the abandonment of the communist revolutionary line are anticipated, laying the ideological foundation for a change in the North Korean ruling structure in the mid-1990's.

Many of the experts predicted that a tripartite ROK-U.S.-Russian political cooperation machinery will be created in this period. They think that ruffled U.S.-Japan relations could cause some difficulties in South Korea's foreign policy decisions. But all this trouble will be seen as a reflection of the period of political maturity. South Korea is expected to show its self-reliant maturity after going through this period.

North Korea will enter a period of change in its Establishment in 1998. These are anticipated major events in 1998: Kim Chong-il's loss of power; changes in the Establishment; the fall of socialism in North Korea; a military coup; and collaboration between the pro-Pyongyang General Association of Korean Residents in Japan (Chochongnyon) and the pro-Seoul Federation of Korean Residents in Japan (Mindan). These events are expected to lead to the collapse of the North Korean regime. The dominant forecast calls for the acceleration of the crumbling of the North Korean socialist system in 1999, culminating in the unification of Korea in the year 2000. Morgan Clippinger, former head of the Korean section of the CIA, said, "An utterly impoverished North Korea will begin to lose the controlling power, and the confusion may invite intervention by South Korea." Professor (Scalapino) predicted, "When Kim Il-song dies, Kim Chong-il's legitimacy will deteriorate rapidly, making it impossible for him to hang on to power tightly."

Darryl Frank, researcher at the Center for Asian Studies under the Heritage Foundation, said: "The Kim Chong-il regime will succeed in achieving economic recovery with economic aid and investments from the South. But he will lose popular support because of his lack of political legitimacy and his connection with Stalinism. Kim Chong-il will either be removed or step down voluntarily, opening the way for the first free election ever in North Korea."

Some experts attribute Kim Chong-il's loss of power to a military coup. Former Pravda Pyongyang correspondent (Bacheslav Lazubayev) made the following prognostication:

"Seeing the collapse of the former Soviet Union and East European communist countries, Kim Il-song wishes to rule North Korea another four or five years. But Kim Chong-il and his supporters in the party and the military want an early transfer of the administrative powers to Kim Chong-il. The only possible military coup will be

one staged by some of those high-ranking military bureaucrats who were trained in military academies of the Soviet Union and China. Some of these foreign-trained officers do not want to work under Kim Il-song and Kim Chong-il. It is difficult to find any serious and organized force against the Kim Il-song regime among North Korean inhabitants who are under the tight control of numerous political organizations and neighborhood officials."

Professor Ralph Clough at Johns Hopkins University said: "When Mao Zedong died, the heir he himself named lost power. At a time when communism crumbles worldwide, it will be difficult for Kim Chong-il to maintain the system that Kim Il-song perfected. Even if Kim Chong-il succeeds to power, he won't stay long in power."

In South Korea, a one-day life zone will be completed in 1998, and the dissolution of conglomerates and changes in the establishment are in the cards for 1999. In the year 2000 or thereabout South Korea will join the ranks of advanced nations and set out on the road to unification.

Experts forecast the unification of the Korean Peninsula in or about the year 2000, either by confederation or by absorption. Tokyo University Professor Haruki Wada said, "a North-South confederation will be formed in 1997." Hajime Izumi, professor at the Shizuoka Prefectural University, predicted, "Unification will be achieved in the formula of one-country, two-systems."

On the contrary, (Guy Arigony), a Korean affairs analyst at the U.S. Department of Defense, and Professor Okonogi at Keio University foresee unification by absorption. Darryl Frank, researcher at the Heritage Foundation, predicts, "With tension between North and South removed, a general election will be held under a constitution based on democracy and capitalism."

*** Yi Ki-taek Emerges as Opposition Party Leader**

932C0203A Seoul CHUNGANG ILBO in Korean
22 Jul 93 p 4

[By reporter Choe Hun]

[Text] Democratic Party [DP] Chairman Yi Ki-taek are all smiles these days. His step is springier and his shoulders more opened. His voice, permeated with elation, now and then flashes his "will for the presidency." Something must have inspired him a great deal.

It was in the front porch of Hyatt Hotel Cheju on 20 July. Yi Ki-taek, the first No. 1 opposition party leader ever to be invited to a Federation of the Korean Industries [FKI] seminar, was about to leave the hotel. FKI President Choe Chong-hyon was seen according him an "honorable treatment" by patiently waiting six or seven minutes for Yi, sitting in the car, to finish his interview with a reporter, then seeing him off courteously. It must have been enough to make Yi feel the change of the times. In the past, it had by no means been an easy thing for him

to even see an FKI president. On return to Seoul, he, beaming with confidence, said that "in the future, large sums of designated trust money will be coming to the opposition party, too."

Since he safely passed his "leadership test" in the 8 July Kwanhun debate, he has enjoyed his speaking tour which included a speech at the FKI seminar (20 July) and a lecture over breakfast at Tosan Academy (21 July), both by invitation.

Yi always maintained that his "place" ranks with such traditional opposition leaders as Sin Ik-hui, Cho Pyong-ok, Yu Chin-o, and Kim Tae-chung [KTC]. Now he is visibly satisfied with his status recognized.

The DP chairman said at a private party that "whenever I said something, I saw it make a big news." Then, he smiled like a little child. At least three or four speech requests and invitations to gatherings arrive daily and secretaries alternate between joy and embarrassment sifting through them. In the past, when he was campaigning [for KTC] as DP co-chairman, his secretaries, who could not stand the campaign's "shabby going" any more, asked reporters to do some reporting about him to "help save his face." His forlorn looks of those days are no longer there.

Pushed by the reform drive of President Kim Yong-sam [KYS] during the first months of the new government, and exposed to criticism of his "want of leadership," Yi was plagued by timidity both internally and externally. He made a comeback, however, as a result of the DP victory in the Myongju-Yangyang by-election.

A government-opposition summit, held right after the by-election, had the effect of projecting Yi as KYS' counterpart. Then, his tour of four European nations gave him an opportunity to recharge himself with self-confidence and placidity, according to an analysis by his aides. Furthermore, KTC, who returned from England, reaffirmed his "support of Chairman Yi," heading off criticisms by anti-Yi forces in the party.

Meanwhile, Yi bluntly told a party Supreme Committee meeting that "I will quit as chairman if you continue to be like this." He thus refused to remain part of the "nine midgets." Now Supreme Committee members tend to be less impetuous.

Yi, full of confidence, is further raising his offensive tone against the government. He had approved of the KYS reform until recently. These days, however, he attacks KYS by saying that "the president's leadership has problems" (in Cheju on 20 July) and that "the biggest enemy of the KYS reform is the Liberal Democratic Party" (at Tosan Academy on 21 July). He even stated that "the present government does not represent a genuine change of power. Unless the DP as the true reformist force takes power, there can be no reform."

Chairman Yi's recent moves reflect his strategic bid for the presidency. At the 8 July Kwanhun debate, he said

that "the ultimate objective of a politician is to win the presidency and lay out before the people what he has cherished all his political life—his thoughts, his philosophy and his ambition—to his heart's content and in accordance with his subjective view." He thus made clear his intent for a "presidential bid." In the 20 July speech in Cheju, he held that "I do not after all fall behind the two Kims in political qualification. I grew so quickly that people saw me with a jealous eye. That was where the word about my being dim came from."

He would stress his "21st century" vision, especially, in his speeches these days. In the 21 July Tosan Academy speech, he, toning up his voice, said that "the current reforms should be future-oriented ones."

He went on to emphasize his vision, saying: "Our history of the 20th century has been, in a nutshell, a history of antinational, antide mocratic and antisocial twists and turns." The next presidential election comes in late 1997. After all, a blueprint for the 21st century will inevitably emerge as the biggest issue in that race. Close aides to Yi would not deny that it is a calculated move to "preoccupy the issue."

Chairman Yi plans to drastically expand the secretariat on about 26 July. The present "small corner-store-type" secretariat having three deputy directors at most will be reorganized into a mammoth office with 10 special aides and eight aides. His plan is to bring it close to what KTC's secretariat was during the campaign, in its "mighty look." Yi, whose "weakness" had been being lazy, has never been late for a meeting recently. He is paying so much attention to his "image management." He is taking pains for one thing these days—his new relationship with KTC. For Yi to solidify his power base in the party, KTC's support is indispensable. On the other hand, guiding the Yi Ki-taek camp is the complex calculation that if Yi should encroach on KTC's influence too much, it would negatively affect the long-term strategy of the "Lone Secretary."

In his recent remarks in Cheju, Yi first said, "If KTC runs, I am prepared to back him up." Then, he also said that "I can do it just as good as he does." The confusion may well show an aspect of today's Chairman Yi Ki-taek.

*** Urgent Need To Promote Agricultural Modernization**

932C0227A Seoul HANGUK KYONGJE SINMUN in Korean 26 Jul 93 p 19

[Text] There is no need to reemphasize the anxiety felt for the future of our agriculture industry, or the concern over the continuing flight of inhabitants leaving our farming and fishing communities.

The annual growth of the forestry, farming, and fishing industry in the 1970's was measured at 2 percent while the 1989-1991 period showed a growth of minus 2.4 percent. For the same period the farming population growth rate measured from minus 2.8 percent to minus

5.7 percent with the numbers of abandoned villages and empty houses greatly increasing.

Because of the smallscale operation of our farms and their backward methods, the tide of free trade is threatening the very existence of our agriculture industry. Due to the anxiety felt about the future, the farm population continues to grow older and farming rapidly becomes more inefficient.

Also, until now, the focus for land development and other reforms has been on the cities and industry. This is contrasted with the poor living conditions (housing, education etc.) existing on the farms. This is another reason that cannot be ignored as a major cause for the acceleration of the departure from our farming communities by middle aged farm parents who move to the city to enroll their children in school.

Related to the opening of the agricultural market, in accordance with agreements with the GATT's International Revenue Council, by July 1997 all items on the current restricted trade list must be removed and free trade following the GATT agreement enforced. Also, if the now advancing UR (Uruguay Round) negotiations should reach agreement, new rules under the GATT would go into effect, reorganizing our entire agricultural system. These rules would remove all tariffs from imported farm produce. This makes it impossible to avoid restructuring farm subsidies. But we must not forget that international exchange is not unilateral and markets would be opened on both sides. Depending on our efforts, the possibility of creating new opportunities exists.

In accordance with trends regarding growing domestic income levels, the consumption of high grade farm produce, such as meat, fruit, vegetables, flowers, and so on, is increasing. As a result, new opportunities for the development of the farming industry exist. Problems in the cities (overcrowding etc.) and developments in the country (such as improved transportation and communications) are expected to bring a rebirth to the farming communities.

There are many positive aspects involving the heightened national awareness of problems with the environment. As a result, it is expected that the public will place a higher value on the public value of farming villages and the agricultural industry. First and foremost in the government's "New Economic Five-Year Plan" are the provisions for revitalizing the farming and fishing villages over the next five years. The government states that by radical changes in the structure and living conditions there, the villagers who left would return. If the goals of changing agriculture into a competitive technical industry, bringing farmers and fishermen into the modern age as skilled laborers, and transforming the farming and fishing villages into permanent homes of affluence, are to be realized, we must reform our agriculture. This includes all of the systems related to it. We must renovate marketing and consolidate as well as

reorganize the farming and fishing villages. We must respond to internationalization, the open market system, and so forth. Policies must be developed for the "New Agriculture Plan" and then carried out.

Let us discuss a few important facets of the new conditions a growing, international, and open market presents, especially those that agriculture and our farming villages must be able to actively respond to.

First, a collection of plans is required specifically tailored to the various types of farming.

Related to this, one central point we shall discuss concerns industrial farming of fruit, livestock, flowers, vegetables, and so on. Above all, these areas require "technical intensive agriculture", that is, automation, technology, and skilled management. It is essential we create advanced farms able to compete with foreign agriculture on national and international markets.

Also, while maintaining border protection at normal levels, production costs on basic agriculture products such as rice and beef, can be lowered by average farms using increasing efficiency of land use and management.

In short, it is necessary that we adopt policies that allow us to move simultaneously in two directions. First, we must acquire the advanced farming resources and technical intensive agricultural management that industrial farming requires. Second, we must improve land management of crops that require large areas of land to produce, and thus reduce the disparity in prices of foreign and domestic grain.

Also, we need to develop policies that allow us to use and retain existing farmland. Much farmland now is worn out or is rapidly being converted for use in areas other than agriculture, such as housing.

Current farm policy seeks to: 1) provide for the greatest possible increase in farmland, and 2) through the easing of zoning laws, increase the amount of land zoned for municipal use. We can't base farm policy on such simple-minded logic. Our limited national land must be used effectively. Local community development must be a focal point when formulating strategy for effective land use, therefore these plans need to be tailored to each local area and must remain flexible in enforcement.

In order to accomplish these goals, the current debate suggests restructuring national land management. Farming and fishing village settlements must create zoning plans as part of a system, similar to those master zoning plans used in the cities, developed by the central government. These plans would detail the usage and classification of all the land, including farmland, in a settlement's jurisdiction to structure the development of the local community.

In a word, it is a well known fact that the development of our agricultural industry is dependent upon the continued existence of the farming villages. To put it in the simplest terms, today, the management of our social

agricultural and farming village policy must be stable. The diversity found in the living conditions of our farming and fishing villages when compared to our cities is too great in the areas of housing, medicine, education, culture, and so on. We must bear in mind that unless unprecedented changes are made in the environments of the villages we will be unable to attract the skilled young people that our agriculture industry needs in order to succeed.

The capital is congested because of an excessive concentration of industry and population. Although collective farming exists in principle, it is very inefficient. This is an exceptionally adverse situation that creates a very expensive burden upon society. The solution must include the small cities and farming villages. Through the stimulation of local communities, distribution of population and of industry can be accomplished. Unless we utilize this ordinary but thorough defense it will be difficult to break out of the vicious circle of city advantage versus rural decay.

Unless we develop a policy of balanced development it will be difficult to anticipate realization of the public benefits of agriculture.

*** Operations of Overseas Missions Criticized**

932C0205A Seoul CHUNGANG ILBO in Korean
27 Jul 93 p 31

[Text] As the interests of one country acutely clashes with those of another country on trade or security issues, as regional conflicts occasionally develop in the international arena, international diplomacy assumes an increasingly great role and importance in the international community with each passing day.

Caught in the middle of turbulent changes the big powers are putting ever increasing trade pressures on our country, and the declaration by North Korea of its withdrawal from the nuclear nonproliferation treaty (NPT) has become a grave threat to security in the Korean Peninsula, requiring an omnidirectional diplomatic approach.

However, ROK diplomatic missions abroad which stand on the foremost front of our diplomacy are still unable to do away with the old ways—the habit of making a squeaking discordant noise arising from the squabbles among various ministries, or the habit of getting so much absorbed in accommodating visitors from Korea that they have little time to perform their principal duties. In addition, our diplomats and resident officers lack expertise, and critics view this deficiency as a structural factor responsible for the failure to effectively cope with outstanding issues involving our national interests.

CHUNGANG ILBO recently checked the problems confronting our overseas missions through its correspondents posted in various places throughout the world, including Washington, Tokyo, Beijing, Paris, Berlin, and Moscow.

The United States, Japan, the EC, and other countries have long approached trade issues from a national security point of view, transcending diplomatic considerations. As a result, observers say it has become necessary for our diplomacy to make a well thought-out expert approach to trade issues.

A considerable number among the ministers in charge of economic affairs and counselors currently in our overseas missions dispatched by the Foreign Ministry reportedly would like to be transferred to other positions handling political issues rather than economic issues, which are not their speciality, so they are not too active in their present duties.

To cite an example, only 50 percent of the personnel in our diplomatic mission in Germany have an ability to speak English, according to the mission's internal survey. That is why only a few of the personnel can explain our position or persuade the other side in an expert manner on an issue in which the national interests of our country and another country clash with each other acutely. This phenomenon is not limited to the mission in Germany. The same is true in Japan and countries where English is spoken. The situation is far more serious in countries where other indigenous languages are spoken.

Language ability is an essential requirement for resident officials dispatched by various other ministries. But under the current practice, officials assigned to a new post overseas are given only two months to leave for their destinations; and the language test is administered just as a matter of routine formality. That is why they are hardly expected to perform their duties properly until they have spent one full year learning the foreign languages of their host countries. In some cases officials have language problems until they return home from overseas. A lack of full knowledge about the host country is another factor that makes it difficult to deal issues in an expert manner.

There are more than 2.1 million Chinese of Korean ancestry in China. They complain about the ROK Embassy personnel's poor understanding of and inadequate considerations for them. ROK citizens in Beijing are under orders not to patronize restaurants run by North Koreans there, and agents are posted almost all the time to enforce the off-limit order. The reason for the off-limit is supposedly to protect our citizens. But critics view the off-limit as a measure that ignores the fact that North and South Korean students contact with each other naturally in the same schools each day.

In the case of our diplomatic mission in Russia, it is urgent to train expert personnel in view of the peculiarity of the mission. But many of our embassy personnel in Moscow want to leave Moscow, where their working conditions are poor, as soon as possible for some better posts elsewhere. In addition, what further dampens their morale is the fact that the Foreign Ministry in the home government ignores their views or recommendations when it makes policy decisions.

The invisible war of nerves between the career diplomats from the Foreign Ministry and resident officials dispatched by various other ministries is a common occurrence in every area.

For instance, in the course of establishing diplomatic relations between the ROK and China last August, there was absolutely no team work among our embassy personnel in Beijing because of the internal discord generated by the unnecessary competition and conflicting ambition among various ministries in charge of state and economic affairs and the Agency for National Security Planning [NSP] of the home government. Reportedly, the ministers representing various ministries even avoided having joint strategy meetings.

The invisible conflicts between diplomats and resident officers and among different resident officers are causing various side-effects, such as a monopoly of information and a duplication of work. The conflict is said acute particularly between diplomats in charge of economic affairs and economic affairs-related resident officers dispatched from various ministries.

The discord over the question of command and control over the NSP officers and the military attaches and the problem of their pay is regarded as a typical example of the conflict that needs an urgent solution.

As far as the laws and regulations are concerned, the military attache and his staff and resident NSP officers are all supposed to be under the command and control of the principal officer of the mission. But in reality, they have different channels of reporting and different means of communication and are outside of the ambassador's channel of command. For this reason, in many cases the ambassador is left in the dark about important pending issues between the home government and the host country, such as the introduction of military equipment.

The regulations on the ranking order of public employees give preference to military attaches over civil service personnel of government ministries. Under these regulations, a strange phenomenon is seen at a general meeting of the embassy personnel, the phenomenon of an assistant attache with the rank of lieutenant colonel who has 10 years or more of service behind him taking a higher seat at the table than a resident officer equivalent in rank to a bureau chief in the home government who has 20 years or more of service behind him!

In Germany, an officer from the Defense Security Command [DSC] is in charge of affairs relating to the overseas Korean residents under the title of "operating officer," and at the same time, the NSP officer also handles the same affairs separately. Critics say this is an waste of manpower.

The titles of resident officers are also a problem. Currently, resident officers who do not belong to the Foreign Ministry are given the title of "attache" corresponding to the rank of a fourth-grade officer, although they have the

rank of assistant commissioner [pu isagwan]. Accordingly, our resident officers complain that the host country assigns officers with a rank below section chief as the persons they have to use as contact points, and this causes a considerable impediment in the performance of their duties.

This contrasts to the practices of the United States, Japan, and other advanced countries, which give the title of minister or counsellor to resident officers who have the rank of assistant commissioner or higher. Critics say that the relatively low rank of our resident officers stems from the "excessive superiority complex of the Foreign Ministry."

Critics also point out that all ministries dispatch resident officers for no other purpose than securing overseas posts, irrespective of business, and this is a waste of the budget. In fact, in our embassy in Washington there are resident officers dispatched from the Economic Planning Board, the Ministry of Justice, the Ministry of Labor, the Ministry of Science and Technology, the Ministry of Government Administration, and even the National Police Headquarters—the branches which have little business to do with the United States.

It is a fact that the number of government officials traveling abroad has markedly decreased as a result of the cold wave of audit and inspection. But because of the long practices from the past, our overseas missions cannot make light of accommodating visitors from home, and this causes hindrances to the performance of the missions' principal duties such as collecting information on their host countries and making contacts with officials of these countries.

Take Paris for instance. Our embassy there accommodates more official visitors from Korea than any other embassy in Europe. Counting only those official visitors with the rank of bureau chief or higher (including National Assembly members and former high-ranking officials) for whom the respective ministries in the home government send messages in advance asking the embassy to give them accommodation, one to three groups of them (each group consisting of four to five persons) visit Paris each week on an average. In other words, the embassy accommodates over 50 visitors a month. But when unofficial visitors who just dropped in without schedule are also counted, virtually everyday our embassy in Paris has some guests from home to entertain.

In the case of National Assembly members, the embassy accommodated 150 of them in 1991, and 120 in 1992. Two-thirds were accompanied by their wives. In addition, statistics show that more than 10 groups of local assembly members each consisting of 15 to 20 persons also visited Paris last year.

In treating officials with the rank of vice minister or higher and National Assembly members among the official visitors, it is an essential requirement to welcome them at the airport, provide transportation, and host a

dinner at the official resident of the ambassador. In treating visitors with the rank below vice minister and unofficial guests, an airport welcome and a dinner are a basic requirement.

In the case of our embassy in Germany, it had to accommodate an average of 50 or more National Assembly members a month in 1991, the year after Germany was unified, resulting in a congestion in the performance of its principal duties at times. The number of guests has decreased a great deal since the inauguration of the new government. Still, the embassy is accommodating an average of 10 to 20 visitors a month. Recently, the stream of "influential persons" visiting China and other special areas began to be revived, raising doubts as to whether our overseas missions in these areas will be able to produce good results from the new guidelines issued by the new government, such as "the guideline on courtesy treatment of National Assembly members traveling abroad" and "the guideline for our overseas missions on treating public officials traveling abroad."

Critics point out that there are many irrational aspects in operating our overseas missions, including the housing allowance for diplomats. In most of the overseas missions including those in America, officials with the rank of assistant commissioner draws an amount equivalent to \$2,700 a month in housing allowance. With this amount one can rent a house worth over \$1 million in the United States. But the Foreign Ministry claims that the amount is below the corresponding amount provided by semideveloped countries for their diplomats.

In advanced countries it is a standard practice for officials at up to the vice ministerial level to have no privilege of using chauffeurs, and all legislators drive their own cars. But in the case of our overseas missions, even the ministers, not to mention the ambassadors, have the privilege of hiring chauffeurs.

The ROK diplomatic mission in Beijing was belatedly established after having started as a trade mission. As a consequence, it has had handicaps in exercising its diplomatic privileges. Still, most of embassy personnel live in apartments in the central part of the city, not in the embassy compound. Thus they pay two to three times higher rents than otherwise. On the contrary, the allowances necessary for the performance of the duties of the resident officers is ridiculously inadequate.

In the case of our mission in Japan, resident officials are paid up to ¥100,000 (about 800,000 won) every three months as an allowance for operating costs, and an additional 100,000 ¥ in information allowance every three months. But these amounts are not enough to buy even necessary publications.

*** President Kim Needs Supporting Cast**

932C0204A Seoul CHUNGANG ILBO in Korean
28 Jul 93 p 5

[Article by Editor in Chief Song Chin-hyok]

[Text] As the new government marks its five months in office, the heady excitement and hopes that the public had when the new government came into being are fading somewhat. Special audit and inspection that thrilled the public for a while is losing its popularity by and by. There is no more Inwangsan (site of the new presidential mansion) to open to public view, and the handling of the Hanahoe issue has been completed on the whole. In just five months the objects of special audit and inspection and new menus of government measures seem to have been almost exhausted.

Instead grim issues, such as the labor dispute in Ulsan, the stir created by the tax on excess land, and the issue of the National Teachers Union came to the fore as matters of concern. The economy which is wandering unable to find its right course makes everyone gloomy; and the campaign to do away with the custom of sending bouquets as a gift has led to a surprise demonstration by the flower growing farmers.

There is nothing exciting about politics either. The National Assembly when it is in session fails to draw attention. The ruling and opposition parties are arguing about whether or not some past wrongdoings should be investigated, but this controversy does not get much prominence in press coverage. Recently, the public watched with disdain the peevish petty squabble the political parties had over the trifling issue of how to set the date for a by-election. The ruling party sought to gain an advantage by setting the date unilaterally whereas the opposition parties raised hell by calling the other side "bastard" and even threatening to boycott the election. The two sides were not much different in drawing the ire of the public.

In this way neither politics, nor the economy, nor society is functioning to our liking, no one knows why. I do not know how to describe the situation correctly, but I would say the game is not properly organized or there is no "market place" set up. Various policies bearing the name of "new" are coming out one after another. But most of them either spin free or sound hollow.

Why is that so? Five months seem long enough to get things arranged properly and give an outlook for implementing various measures on a stable basis. But I wonder why that is not the case.

There may be many factors responsible. But the human factor is more responsible for this situation. Figuratively speaking, no one but President Kim is on the stage. In order for the long drama "Building a New Korea" to enthrall the audience and draw its applause all the time, the masterful acting of the leading actor alone is not enough. There needs to be a large supporting cast enamored by the public and capable of playing its part superbly. But in this case, the popular star towers supreme on the stage, and on many occasions the supporting cast looks shabby or is unable to perform its role properly. The whole cast also seems to be out of harmony. In fact, when we look back on the past five

months, it is no exaggeration to say that President Kim alone has led the flock in everything, from reform to audit and inspection. The president directed and commanded everything in person, from the disclosure of public officials' properties to the investigation of the slot machine scandal and the disclosure of the list of parents who gave bribes to have their children admitted to colleges. In the case of the Hyundai labor dispute, the president announced his "serious determination" saying I cannot remain indifferent, although the labor minister had the power of arbitration but was not strong enough to exercise it.

This being the case, the president alone towers high and the Cabinet, the parties, and the National Assembly cannot but become shrunk and diminutive. There is only the vigorous acting of the star, with the supporting cast having not much of a role to play. The names of so-called "men of influence" appear from time to time. But usually, they shine for a few days and soon start thinking about the "security of their positions." There are party officials, but no "heavyweights"; there is the economic team, but no centripetal force. There is no man of real influence. Even there is one; apparently, he must be in a hidden place where nobody can see him. That is why even the press carried the rumor that Kim Yong-sam might hand over the baton to Kim Chong-pil.

To overcome this situation, various suggestions have been made, such as revitalizing the cabinet and enhancing the role of the prime minister. But if a man of real influence turns out to be a man of lost influence, naturally there can be no thrust. And when men of "lost influence" or men of "little influence" try to work together, it will be difficult to arrange a game or set up a market. This is precisely the reason why most of what the National Assembly, the cabinet, or the parties are doing now looks so slovenly that it fails to attract public attention. Under these circumstances the management of state affairs cannot but be far from satisfactory.

The crux of the matter is that there is only the touring supreme leader, with no second and third echelons of leaders formed yet to organize the game and play it out under him. In this complex society, it is impossible for the president alone to decide all things in person. The system in which when something, small or large, pops up, the public looks to the president and no one else is desirable instead of the president himself. In the days of the Pak regime there were real powerhouses. They caused corruption, power struggle, and various other problems; but in reality, they demonstrated their power of bringing people together in certain areas in their own ways, playing the role of the bulwark for the president.

In those days there were central figures who led the flock under the president, for better or worse, in a responsible manner—figures like Chang Ki-yong, Kim Hak-yol, Nam Tok-u, and Kim Chong-yom in the economic field.

This is not to say that the methods used by the Pak regime are something we look back to nostalgia, but that

for any government it is necessary to have the persons who will take a firm grip of the tasks in their respective fields and give full play to their convictions and abilities and take responsibility for the outcome—and it is necessary to have such system.

Even now, if we are to revitalize the government, the National Assembly, and the party system and to vigorously enforce policies in each area of state affairs, it is necessary after all to revamp the whole cast. The sooner the replacement of those who cannot play their assigned roles, the better. Too frequent replacement of the cast is not desirable, but leaving the unfit not replaced is more undesirable. Moreover, it is necessary to make bold appointments on the basis of ability, unbound by considerations for factional interests or personal intimacy. Especially in the economic field which requires expertise and ability, capable persons should be placed in the key positions, even if they had connections with the former governments. Once someone is given a key post, it is important to give him power and responsibility. Only by so doing is it possible for him to give full play to his capacity of bringing people together and organize the game in his field. The method—the method by which the president alone towers high above and there is not much to choose from among the rest, whatever their positions may be—would hardly work. It is urgent to form the second and third echelons of leaders who will work with a firm grip on each branch of the state administration.

*** Bad Blood Between Chongwadae, Hyundai Chairman**

932C0201A Seoul CHUGAN MAEGYONG in Korean
4 Aug 93 pp 18-22

[Article by reporter Kim Se-hyong]

[Text] Currently, the Chongwadae is mercilessly slinging barbs directly on Chong Chu-yong, honorary chairman of the Hyundai Group.

"Too early to come back to the front line of business," "a man out of mind," and "Wonder if he is really trying to show his repentance with tears?"

These are some of the biting words Chongwadae officers, irrespective of their ranks, spit out without hesitation these days.

Those words were made in response to the statement Chong Chu-yong made during his press conference at the airport upon his return home from his trip to China that "I am going to go back to the front line of business." He just returned home only after the government did the "dirty work" to settle the labor dispute in the Hyundai Motor Co. The Chongwadae seems to be all the more angry because he made that statement at a time when the labor disputes in other Hyundai affiliates were not completely settled yet.

Obviously, President Kim was in high dudgeon particularly at Chong's remarks to the effect that he wants to

participate in the management of a firm like Hyundai Electronics, one of the Hyundai group spared of labor disputes, until he reaches the age of 100 and spend the following 30 years traveling throughout the world.

Said a Chongwadae secretary: "His remarks to the effect that he will stay with the company until he gets 100 years old could possibly be misconstrued as meaning that he has nothing to worry about because President Kim can stay in power for five years at the most." That is why we often hear angry words such as "That man does nothing but exasperating" uttered in the inner circles of the Chongwadae.

When asked, What are you going to do about Hyundai? Chongwadae secretaries dodge the question by saying, "They are private firms. They themselves should do whatever they see fit, shouldn't they?" But hidden behind these words is the criticism of Chong Chu-yong's behavior as the highest person in authority in the group, the behavior such as: When the house (the Hyundai group) was in a turmoil (labor disputes), he went abroad (taking a trip to China) and returned home and talked big only after the government took care of the trouble by going so far as to invoke the emergency arbitration power.

At any rate Chong Chu-yong has had no chance to meet President Kim Yong-sam since he cut up the candidate Kim with very raw accusations during the last presidential election.

Chong must have been worried because he made very raw accusations. That is why he bolted the United Peoples Party [UPP] and exercised self-restraint for a while. Meanwhile, frightened by the silence of the Chongwadae, he reportedly sought an audience with the president through an intermediary. But President Kim is said to have adamantly spurned the approach.

Chong tasted bitterness when his attempt to leave for Japan prior to his scheduled trial on charges of violation of the election law was foiled at the airport.

He went back to the Hyundai group shortly before President Kim took office to resume the management of the group. But seeing the unfavorable reaction, he went to Kangnung on 20 March to hide himself for a while.

What is CY (the initials of Honorary Chairman Chong Chu-yong) thinking of YS (the initials of President Kim Yong-sam)? Let's hear the frank opinion of one of YS's close aides.

"...until last July (1992) before the presidential election fever began to rise, YS seemed to have a favorable view of CY. Even when CY criticized both Kims after there was a tripartite meeting between him and YS and DJ (the first initials of Kim Tae-chung), YS thought the criticism was just for a grandstanding. In those days speculation was rife in the streets that there would be a grand coalition of the DLP and the UPP at the last minute of the election campaign period. I heard that CY gave a

firm promise about such a coalition. YS did not bother much about even a considerably acute level of criticism against him because he tried to trust CY the man. But as time passed, CY proved himself otherwise; and when he began to make rude accusations, YS got angry and said, "That man is no good. It was with that feeling that YS began to shout loudly in his campaign that no one should try to buy power with money. Apparently, YS made some kind of serious determination. That is why it would not be so easy for CY to get forgiveness."

After he took office, YS took CY to task by using these expressions: "I will not receive even a penny in political contribution from corporations"; "I will sever the cozy ties between politicians and business"; and "Nobody should try to have both honors and riches at the same time, but one should choose either of the two." YS still maintains the same stance toward CY.

Meanwhile CY legally exited to Japan, where he held a press conference during which he showed his repentance in these words: "I am really glad that President Kim Yong-sam has been elected. If I had been elected, it could have spelled a big trouble for the country."

But YS remained silent. Lest the president should have misunderstood CY's remarks at the Tokyo press conference, a Hyundai representative went to see Kim Yong-sam aides at the Chongwadae carrying the text of the press conference to make a full explanation of it. Still, the Chongwadae maintained its silence. It became apparent that this was the reason why at the end CY had no other choice but to go to Kangnung and lie low there.

CY once again used current Hyundai Chairman Chong Se-yong as an intermediary. In late May, on the occasion of the Month of Patriots and Veterans, CY sounded out Chongwadae for its feelings toward him through the Patriots and Veterans Affairs Agency by offering to contribute 2 billion won in response to the fund collection campaign sponsored by a newspaper company. Chongwadae secretaries discussed the offer, but the answer was "No." The meeting reached the conclusion that if he wanted to make a contribution, he should make it anonymously and that if the offer were to be accepted, the acceptance would be interpreted as amounting to a stamp of acquittal.

Current Hyundai Chairman Chong Se-yong has had three opportunities to meet the president since the last presidential election. The first one was a one-on-one meeting. It took place after YS was elected but before he was sworn in. The Sangdo-tong camp did not turn down the feeler for a meeting between Chong Se-yong and the president-elect. It was difficult to reject the request because although CY is his brother, Chong Se-yong is the man who as the chairman of the Hyundai group would play an important part in our economy. Chong Se-yong left the Chongwadae leaving a peculiar impression at this meeting.

Recalls one of the Chongwadae aides: "In the beginning Chong Se-yong asked for forgiveness saying that

Hyundai regrets what it did and from now on it will only concentrate on the operation of its business. His remarks were meant as self-reflection and a pledge on the part of CY never again to plunge into an election with the all-out groupwide support in terms of personnel and money. The atmosphere was good up to the moment when Chong Se-yong, abruptly changing the tone, began to pour out a stream of recommendations saying the Chongwadae should help Hyundai improve its business environment. As that stream got longer and longer, YS instantaneously began to wear a stiff look. In short, Chong Se-yong's argument was the case of the cart put before the horse. After Chong left, YS was in a bad mood all the way."

Chong Se-yong had no opportunity to see the president for three months following the inauguration of the new Administration. But subsequently, the second chance came during the 29 May Chongwadae luncheon hosted in honor of the businessmen who had taken part in the [Washington] U.S.-ROK economic conference. He was among the group of these businessmen. Home-made noodles were served at the luncheon. While going around the table shaking hands with the guests one by one, the host of the Chongwadae luncheon saw Chong Se-yong, to whom the president said, "Please try your best."

The luncheon was held shortly after Chinese Foreign Minister Qian Qichen left for home winding up his visit to Seoul. So, Chong Se-yong briefly said, "Auto exports to China has increased sharply." There the brief encounter between the two ended.

After completing his first round of greetings with the guests, including Lucky-Goldstar Chairman Ku Pyong-hoe, Hanjin Chairman Cho Chung-kon, and POSCO Chairman Chong Myong-sik, the president came to Chong Se-yong again on the second round. Taking this second opportunity, Chong said: "In the past the management was in control of the union while the company was in the course of growth. But now the management is being pushed around by the union. At the moment, only when the labor situation is stable is it possible to recover our international competitiveness." He added, "If you say just one word that All past mistakes will be left buried, but there will be no mercy for anyone who makes a mistake from now on. I am sure it will fully revive the enthusiasm for investment."

The argument that audit and inspection should slow down because it will cause a slowdown in the economy is precisely what YS loathes most. It so happened that during a dinner meeting with the doyens of the business world in mid-July, Mr. K, a former deputy prime minister in charge of economic affairs who is now an advisor to a certain business group, made a similar argument, arousing such intense presidential ire that it persisted into the following day.

On the evening of 2 July, the day he announced the new five-year economic plan, he invited the head of business groups in their 30's to Chongwadae for the first time. He

arranged this party in a gesture of peace to show that he had no intention of waging a war against the conglomerates.

At that time there were signs that the seeds of labor dispute were sprouting in Hyundai affiliates. Therefore the prevailing opinion of the business leaders present was that "the government needs to block organized group activities of the workers." Chong Se-yong spent most of his time explaining the situation in the Hyundai group, but made no particular request.

In response the president said, "I will make a serious determination if it is necessary to revive the country and the economy." Thus he presented the business leaders with a "gift" in the form of a promise of a "serious determination." The atmosphere of the party was amicable, according to some attendants. Even when someone expressed his opposition to introducing a system banning the use of false names in financial transactions, the president did not change his facial expression.

It was an established view that had the government straightened out the labor disputes sooner, things would not have turned so bad as they were then.

However, with that time as a turning point, the relationship between the government and the Hyundai group became frigid rather than thawing, and the gap between the two widened.

To make matters worse, it was often reported that YS was in a bad mood. The 100-day results of the new economic plan were not so good, and particularly the dominant analytic view was that the drop in the plant investments by the conglomerates has been a drag to the new economic plan. There was even speculation that because the president avoided meeting the heads of conglomerates, they deliberately slowed down investments as if in an act of "sabotage." Pak Chae-yun, Chongwadae senior secretary for economic affairs, tried to view these comments in as sympathetic a light as possible by saying, "I don't agree with that kind of speculation."

The opposition parties persistently kept up its offensive on the government, insisting that the reform program is reverting to the old conventions because the former presidents are excluded in the investigation of the scandal involving the Yulgok program [armament modernization plan]. This accusation also might have irritated YS.

Under these circumstances, the labor disputes in Hyundai affiliates kept on snowballing. The report submitted to the main Chongwadae office said that the national economy incurred a loss of 1.2 trillion won in a one-month period from the slowdown in production in the Hyundai group, caused by limited strikes and other reasons.

Most probably because he feared that the new economic plan might go awry, the president called up Chongwadae Senior Secretary Pak Kwan-yong and Pak Chae-yun, senior secretary for economic affairs, at any odd hour. It was not uncommon that the president called up Pak Kwang-yong over the phone at night when he was at home; or in the evening when he was drinking with his friends at a restaurant at an appointed time; or at about 0700 when he was exercising at the Kyongmudae Gym on the Chongwadae premises. As soon as Pak picked up the receiver, the voice asked, "Is Hyundai doing all right?"

At that time Chairman Chong Se-yong was in the United States attending the ROK-U.S. businessmen's conference, and Honorary Chairman Chong Chu-yong stayed put in Kangnung.

There are two ways YS frightens others, "silence" and a "roar." In this case he got so angry that he roared.

"Why is it that labor disputes recur every year like an annual event? The question is not how to treat the workers well monetarily, but they should treat them well as human beings. I have never seen a trouble arise in a company in this category." In these words he admonished the management for its lack of sincerity. Probably because he was cowed by the roar of the president, Chong Se-yong flew to Ulsan upon his return from the United States.

On the contrary, Chong Chu-yong suddenly left for China "on business." Thus the chairman and the honorary chairmen were virtually absent from the company by turn. It must have been a coincidence. But things got worse, and Hyundai Motor Co. workers went on strike at last. That is why when the president dined with business leaders on the 19 July, he said that the government will "take serious action unless the dispute is not settled by the 20th." Labor Minister Yi In-che executed the president's orders.

The Chongwadae felt that the invocation of the emergency arbitration power has wrinkled the new Administration's style of dealing with labor relations, although the invocation resulted in the settlement of the dispute....

On 20 July, the day Labor Minister Yi took serious action, Honorary Chairman Chong Chu-yong returned home from China as suddenly as he had left. He held a press conference at Kimpo Airport, during which he said, "From now on I myself will take the initiative in the Hyundai group's overseas investments, and when it comes to its domestic operations, I will provide advice and suggestions as requested by Chairman Chong Se-yong." He added, "I will work on the front line of business at a company free from dispute, like Hyundai Electronics, until I get about 100 years old." This was a reiteration of his desire to return to the forefront of business management. He said that he plans to leave for China on 29 August to take care of some unsettled business.

A Chongwadae secretary who had a hard time trying to settle the Hyundai dispute reportedly got so mad that he threw away his spoon from the table when while eating, he saw the person in the highest authority in Hyundai talking "nonsense" on TV.

At about that time Chongwadae senior secretaries gave an inkling of "some kind of action" which was imminent. One of them said: "For the moment the emergency arbitration power is disadvantageous to labor. If the management is partly to blame, naturally it should also be held responsible. But this is not the right time because it is most urgent to let the dispute cool off." Thus he indicated a wait and see attitude. It could also be interpreted as meaning that depending on circumstances, the government would take an action that would give a hard time to the management.

He slyly gave a glimpse of the sharp edge of the sword by hinting at these possible measures: a special tax investigation, the possible separation of Hyundai Motor Co. from the Hyundai group through the enforcement of the specialization policy, and an early conclusion of the trial of Chong Chu-yong on charges of violation of the election law (signifying a heavy penalty).

But from the words of another person in higher authority it has been confirmed the fact that the Chongwadae did not thrash out anything that concrete. Apparently in an allusion to the trial balloon raised by Chong Chu-yong during his press conference regarding his desire to return to the front line of business management, this official was very critical of him when he said: "If he wants so badly to participate in business management, he should shed tears in repentance. But I don't understand what he is trying to say now. He dumped the trouble in our lap, telling the government to take care of it as best as it could. This kind of lax attitude won't work. He returned home from abroad when the dispute was on the verge of settlement.... You cannot participate in business management with that kind of attitude." However, regarding the rumor about an action against Chong, the official asserted, "we discussed nothing whatsoever about a tax investigation."

According to the Chongwadae, any government measure other than those for improvement of labor administration is not realistic. The government is withholding the release of an about 1 trillion won plant investment fund requested by Hyundai.

In fact, considering the importance of Hyundai in our national economy and the international standing of the Hyundai group, any action detrimental to Hyundai will be suicidal. That is why any extreme measure is unlikely, although an action against an individual could be different....

For this reason, Mr. Pak, Chongwadae senior secretary for economic affairs, is more moderate in tone. Said he: "The government cannot meddle in business administration. I hope that Hyundai will learn a lesson from the labor dispute and find out what improvements need to

be made and correct whatever needs to be corrected." So, his stance is that of calling upon Hyundai to take measures to help itself.

During the 22 July Chongwadae meeting, Kim Sangnam, the labor administration officer at the Labor Ministry, reported to the president, "The one-man autocratic management is partly responsible for the vicious cycle of labor disputes in Hyundai."

If so, is it the ultimate goal to force Honorary Chairman Chong Chu-yong out from management completely and put an end to the era of the one-man autocratic management? Nobody officially says that is the goal, although we often get an inkling of a mood in favor of that solution.

Even those ranking secretaries who are not administratively involved in dealing with the Hyundai dispute are tight-mouthed except to say, "It is too early for him to return to management." Asked when they think is the right time for him to go back, they only say, "Who knows?" The general analysis is that unless Chairman Wang makes an open move, or the owner management headed by Chairman Chong Se-yong "lies low" for a considerable length of time, a thawing mood is hardly to be expected.

* Democratic Liberal Party Funds Dry Up

932C0202A Seoul CHUGAN CHOSON in Korean
5 Aug 93 pp 18-19

[Article by reporter Kim Min-pae]

[Text] "From now on we will strictly restrict the rights of the party members who are delinquent in paying their party membership fees, not only their right to vote in electing party officials at all levels but also their qualifications for becoming candidates in any such election."

That is what DLP [Democratic Liberal Party] Secretary General Hwang Myong-su said in his "19 July bomb-shell statement." He made this public statement in his address to the 19 July "summer seminar for district chapter chairmen" attended by more than 200 party officials including 171 DLP assemblymen and district chapter chairmen with no seat in the National Assembly. A summer seminar is an annual event that takes place in the season when politicians enter their "summer vacation" and leave Seoul to the countryside to work on the grass roots in their respective constituencies. Coming as it did at this season, the secretary general's bomb-shell statement took everyone present in surprise. The general reaction was, "what will come has come at last."

Secretary General Hwang's statement boils down to this: The party will restrict the right of party members delinquent in the payment of their party membership to run in any election of party officials not only at local, municipal, or provincial chapter meetings but also at central standing committee meetings and party conventions. In other words, anyone who failed to pay the party

membership fee cannot become a ticketed candidate for the presidency; a candidate in an election of delegates to a party convention; a candidate for the chairmanship of any of the party central standing committees, a municipal or provincial chapter chairman, or a local district chairman; or a candidate in a National Assembly election on the DLP ticket. In addition, he will also be deprived of his or her right to vote in these elections.

Describing in great detail the difficulties encountered in the collection of the party membership fee, the secretary general proclaimed August as "the month of the beginning for remodeling the mental attitude of party members" and said that with this as a momentum, the party will put the guideline for the payment of the party fee into action.

This statement by General Secretary Hwang, who is in charge of the housekeeping of the ruling party, is a reflection of the circumstances inside the party. As far as its financial condition was concerned, the DLP had no "worry" until the time when the Sixth Republic was nearing its end because it was virtually an established practice that the ruling party enjoyed an advantage in raising political funds. Given the diverse sources of political funds, such as the supporters organizations, the Financial Committee, and government subsidies, money collected from party dues was a "peanut." Of course, there were provisions concerning the payment of the membership fee in those days. But it was just a dead letter existing only as a matter of formality.

Since President Kim Yong-sam took office, however, the situation has changed radically. First, the "special grant from the Chongwadae," a routine fund granted in support of the party central headquarters, has been cut off. The suspension of the political fund supplied to the party headquarters by the Chongwadae in the name of the party president cannot but be a bolt from the blue. It means a reduction in the income by at least 1 billion won a month. Moreover, President Kim has declared that he will not receive even a penny in political donation during his term of office. This marks a "Copernican revolution" in the Korean political climate in which the equation "politics equals money" has been in operation for so long.

Such "change in the circumstances" related to political funding has had a wide-ranging impact on our political world as a whole. But to the DLP, in particular, it has brought about a change that is almost unbearable. The DLP had to undertake a belt-tightening drive to enable itself to stand on its own feet financially. It became inevitable for the party to take drastic measures to effect financial retrenchment and remove the fat, measures such as: selling the Central Institute of Political Education in Karak-tong and its Seoul municipal chapter building; reducing its administrative personnel by 800; and cutting down on the expense account for party officials.

The current annual operating costs of the DLP is in the range of 25 billion won. This figure reflects a sharp reduction in the monthly operating costs from 3 billion won to 2 billion won resulting from a drastic reduction in the personnel expenses for the administrative personnel. The monthly operating costs for party officials have been reduced from 200 million won to 120 million won. For instance, from 30 million won to 20 million won for Chairman Kim Chong-pil; from 10 million won to 5 million won for Secretary General Hwang Myong-su and Policy Affairs Committee Chairman Kim Chong-ho; from 20 million won to 10 million won for Floor Leader Kim Yong-ku; and from 3 million won to 1 million won for First State Minister Kim Tok-yong, Planning and Coordination Officer Paek Nam-chi, and Deputy Floor Leader Kwon Hae-ok and Cho Pu-yong. When it comes to the so-called "webfoot" (a special private gift money from the party president or the party central headquarters on various occasions), each local chapter chairman has received only 3 million won so far this year supposedly to cover the costs of the summer activities of his local chapter in mid-July. However, the total monthly operating costs of 2 billion won covers only the regular expenses without regard to any "special demand for political funds," such as an election fund. Reportedly, the monthly subsidy of 350 million won to the 237 local district chapters (1.5 million won each) and the salaries for the administrative personnel of the party headquarters account for the bulk of the monthly operating costs of the party.

The government subsidies paid quarterly (8.4 billion won), the legal contributions from the supporters organizations (5 billion won), the bond money contributed by Finance Committee members (10.1 billion won), general party membership fees (1.2 billion won), and collections made through various events (1 billion won)—these are all that makes up the party's revenue. According to the party's treasurer, Cho Ik-hyon, chief of the administrative office, the party operates "on a shoe-string budget," barely enough to avoid the red ink, given the current level of revenue and expenditure.

Under this financial pinch, the DLP is now putting into practice a mid- and long-term plan ultimately to achieve a financial self-dependence. The most important measure taken under this plan was the sale of the lot of the Central Institute of Political Education in Karak-tong and the Seoul municipal chapter building in Pangsa-tong. The lot on which the institute stands, just six pyong short of 2,000 pyong in area, is a golden nugget. The land, "with a long history," first belonged to the Democratic Republican Party (DRP) and subsequently changed its ownership to the successive ruling parties, the DJP [Democratic Justice Party] and then the DLP. It was sold to a housing builders association for 180,000,100,000 won in an open bid this April. The amount was a surprise because it exceeded the price the party hoped to get by as much as 40 billion won. The party has paid back in part the 60 billion it borrowed from Hanyang during the last general election, with 36

billion won it has received so far in deposit money and in partial payment for the lot of the institute. The DLP plans to set up a party development fund of approximately 130 billion with the balance of the land price as well as the price of the Seoul municipal party building. Various uses are suggested for this fund, including one for purchasing the party building in Youido, which is currently on lease. Party officials concerned estimate that more than 10 billion won in interest will accrue from this fund.

Another immediate action the party has taken to increase its revenue is the "membership fee collection drive" as outlined by Secretary General Hwang. The DLP already put this drive into action when the election of its 16 party subcommittee chairmen took place in early July. Prior to the election, the party had notified the 30 candidates that any of them who failed to pay their party membership fees counting from the party convention in May 1992 would lose their qualification as candidates. As a result, their party membership fees for the period covered were collected in full. In addition, by applying a method similar to the Central Election Management Committee rule, 5 million won was collected from each candidate in bond money. The surplus (77.8 million won) from this bond money left after covering the election expenses was transferred to the party fund. On the basis of this experience, the party plans to start collecting the party membership fee beginning with those holding elective positions and the executive officers of the party central headquarters and municipal and provincial chapters—officials who can afford to pay their party membership fees promptly. The party by-laws provide for the following gradation in the [monthly] party membership fee: 1 million won or more for the party president; 500,000 won or more for the party chairman and the National Assembly speaker; 300,000 won or more for the high-level party executives, vice speaker of the National Assembly, and the chairmen of the National Assembly standing committees; 150,000 won or more for National Assembly members, local district party chapter chairmen with no National Assembly seat, vice chairmen of the central standing committees, and subcommittee chairmen; 100,000 won or more for the vice chairmen of the subcommittees of the central standing committees; 50,000 won or more for steering committee members and secretaries; 5 percent of monthly salaries for administrative officers and other paid party members; 30,000 won or more for members of central standing committees and the vice chairmen of municipal, provincial, and local chapters; and 2,000 won for other party officials and ordinary party members. Of these categories, for now the party estimates that about 15,000 persons, including 13,000 [as published] of members of the central standing committees can afford to pay their monthly membership fees. Computed on the basis of an average monthly fee of 30,000 (the fee for members of the central standing committees) the amount of the monthly fees paid by these 15,000 officials will total 450 million won. So, as far as the computation goes, it is possible to collect more than 500 million won a month in

membership fee. Fearing that the provision providing for a monthly fee of 2,000 won for ordinary party members might encounter their "resistance," the DLP plans to reduce the lower limit of the amount to 1,000 won and put the new rate into effect soon and see how it will work.

To this end, the DLP has set aside the first day of each month as the "day for payment" of the party membership fee. It has also worked out a plan to provide graduated support according to the individual's membership fee payment records in distributing the election funds and selecting delegates to party conventions, etc.

All these measures are being implemented as part of "political reform" being vigorously pushed forward by President Kim. It is the strong conviction of the Chongwadae and the party hierarchy that "nothing can be accomplished unless the way political funds are raised is reformed, to begin with." The DLP's financial reform plan is epochal, and it is based on the assumption that the ruling party "can succeed" to a degree in achieving financial self-dependence with the party development fund that will be set up with the money from the aforementioned sale of party-owned land, with no help from the Chongwadae. But these officials share the view that the mayoral, gubernatorial, and local assembly elections in the major cities and provinces beginning with the Seoul mayoral election in 1995 and the subsequent general election will require a sharp increase in political funds according to the past practices, and that how the party fares in this series of "great matches" will mark the watershed between success and failure for the DLP's financial reform plan.

* Implications of Real Name Financial System

932C02164 Seoul MAEIL KYONGJE SINMUN in Korean 19 Aug 93 p 17

[Text] The story has been circulated ever since the abrupt implementation of the real name financial system that private loan markets are widely being frozen. There are reports that small businesses including the self-employed are being caused pain over being unable to obtain quick funds and that some of them had even defaulted on their obligations. Overall, we may see conclusively that the real name system, in reality, is creating a fund shortage crisis irrespective of the arguments for its propriety and inevitability.

Now then, one may ask how this could have happened.

One may also ask whether big and major businesses have had absolutely nothing to do with the private loan market and its shrinkage. To know the answers to those questions, one needs to understand the metamorphosis and the characteristics of the private loan market in this country.

The so-called 'black market' is parasitic to a condition where legitimate financial institutions are unable to meet the business demands of fund. From the end of the

World War II to the 50's, this country's financial industry remained still in a poor state as the level of business as a whole was very much undistinguished.

In the final analysis, financial industry can not grow independently of the nation's business as a whole, as it is to grow by lending money to businesses.

This country's financial industry and material economy turned to a new phase as a result of the May 16 event.

Businesses grew out of their stagnation and began to realize an accelerated growth as the five-year economic development plan was implemented.

Notwithstanding, the state of the financial institutions, with a restriction on capital formation, was such that they could not fully meet the business demands for funds.

Such a disparity between the business demands for and the financial institution's ability to supply the funds for them opened up a rapid growth of the so called private loan market.

As late as in the early 70's, the situation was such that even (S & C Group), the big oligarchy, had to resort to private loan dealers for its quick fund formation.

As they were quick funds, their interest rates were high and (four to five points) were in common place.

In short, the private loan market was so powerful that it could have shaken a country's entire economy.

Those were the days when one could believe the story for real that businesses surrendered whatever money they made completely to private loan dealers.

The so-called 'August 8 Action' was taken as the result of the decision made by the government no longer being able to sit idly by.

At the time of the 'August 8 Action' in 1972, the reported sum of private loan funds by industries was 354 billion won.

One can imagine how private loans were choking businesses, as this sum was said to be at the level of 24 percent of the total money supply for that year.

At the time, the government had dual approaches toward the private loan market with its 'carrots and stick policies.'

On one hand, it acted to freeze private loans and, on the other, it lead an effort for educated practice of such loans. The appearance of the (Selective Group Fund Corporation) is an example.

After that, the size and the function of the private loan market has been substantially reduced, as the position of business capitals has been greatly enhanced through expanded exports.

Nevertheless, once again, in the early 80's, the disruptive impact of the private loan market was spotlighted through Yi/Chang scandal. The government responded with the establishment of the (second Selective Group Fund Corporation).

As mid-to-small businesses strengthened their capital position through three minor booms in the mid-80's, it was factually recognized that the private loan market had been reduced to a 'corner store' operation.

However, after implementation of the real name system, it became obvious that existence of the private loan market could not be ignored yet for those marginal enterprises such as small businesses.

Now then, let us examine how the real name system came about to be.

Currently, most of the private loan traders are those of discounting notes.

In the past, financial notes issued by big businesses to raise their capital had been traded at discount in the private loan market but lately the major role of the private loan market has been to convert promissary notes made in lieu of payment for goods to quick funds for small-to-medium businesses by discounting them before their maturity. Of course, financial institutions such as banks would discount a promissary note held by a small-to-medium business.

However, there are more than a few inconveniences for a small-to-medium business to discount a note at a bank due to a general limitation set by the bank and restrictions based on such matters as credit rating in spite of the business' sales record. There is also the advantage of obtaining easy funds on the private loan market, though it costs more compared to a financial institution in case of a secured loan with real property as collateral because the condition of such a loan at a financial institution is very restrictive as it maintains regulations on transactions involving real property.

The problem caused by the new real name system for small businesses is that the huge sum of funds handled by creditors is tied up in banks.

Most of these funds are deposited under pseudonyms because of reluctance to reveal their sources. The creditors, fearing exposure, are still taking a wait-and-see attitude without converting the accounts into their real names. Therefore, small-to-medium businesses are feeling the pinch because the circulation of quick money has been cut off.

Naturally, the private loan market would disappear if the legitimate institutions could fully cover the funds needed by small businesses.

Nevertheless, the private loan market seems to be a necessary evil under the circumstances where available funds are limited within legitimate institutions and the credit risk of small businesses is an existing factor. It is critical that the real name system succeeds.

In order for the real name system to function definitely and appropriately, it is urgent that the system be upgraded to solve the problems faced by small businesses created by the vacuum left by the absence of the private loan market.

Brunei, Malaysia & Singapore

Malaysia

Mahathir: No Increase in Contribution to UN

*BK2909102993 Kuala Lumpur BERNAMA in English
0759 GMT 29 Sep 93*

[By Salmy Hashim]

[Text] New York, Sept 29 (OANA-BERNAMA)—Malaysia's improved economic status should not be a reason for the country to pay more in annual dues to the United Nations, Prime Minister Dr. Mahathir Mohamed said here Tuesday. Why should we pay more? We're always prompt in our payment, he told reporters before dinner hosted by Malaysia's Permanent Representative to the United Nations Razali Ismail.

According to Malaysian officials at the UN, Malaysia is currently paying about US\$1 million a year in annual dues or 0.12 per cent of the US\$1.12 billion annual UN budget. Every three years, the General Assembly, based on recommendations by the committee on contribution, adopts a new rate of assessment for all members based on the country's ability to pay.

The United States is paying the ceiling rate of 25 per cent, while the poorest pays merely 0.01 per cent of the annual budget. Since the rate was approved in 1992, Malaysia will keep on paying the 0.12 per cent rate until 1994, the official told BERNAMA.

The prime minister and his wife, Dr. Siti Hasmah Mohamed Ali, arrived Tuesday afternoon. He is scheduled to launch a roadshow to promote a better understanding of the Kuala Lumpur stock market here Wednesday. He will address the 48th UN General Assembly on Friday.

There are currently 17 UN peacekeeping missions around the world and Malaysia has sent some 3,400 men to seven of the trouble spots. Malaysia has a peacekeeping presence of about 1,200 in Cambodia and about 900 in Africa with the bulk of 850 in Somalia. The biggest Malaysian contingent of 1,500 will be deployed in Bosnia-Herzegovina.

Troops Leave for Bosnia, To Serve Under UN

*BK2909092793 Kuala Lumpur BERNAMA in English
0746 GMT 29 Sep 93*

[Text] Sungai Petani, Malaysia, Sept 29 (OANA-BERNAMA)—The Government's decision to despatch Malaysian troops to serve under the United Nations Protection Force (UNPROFOR) in Bosnia-Herzegovina is very significant in carrying out its international obligations, the King [Paramount Ruler] Sultan Azlan Shah said Wednesday.

He said that the decision clearly reflected Malaysia's sensitivity and sympathy for the victims of atrocities in

Bosnia-Herzegovina which should have been protected and defended by the international community much earlier and without delay.

The despatch of troops to Bosnia-Herzegovina would also show the world that Malaysia was not merely content to speak and watch the violations of the noble principles enshrined in the United Nations (UN) Charter without taking appropriate action, he said at a ceremony here to bid farewell to the members of the Malaysian Battalion (Malbatt) which will be leaving for Bosnia-Herzegovina.

He hoped the Malaysian contribution would spur other countries especially big influential nations to take effective steps in this matter without further delay.

The preparedness of the troops to serve in Bosnia-Herzegovina was also a reflection of the courage and valour of the Malaysian Armed Forces in the last decade, he said.

Badawi, Iranian Counterpart Urge Action on Bosnia

BK2909070393 Kuala Lumpur Voice of Malaysia in English 0600 GMT 29 Sep 93

[Text] Malaysia and Iran have urged the Organization of Islamic Conference, OIC, to take firm steps to resolve the conflict in Bosnia-Herzegovina. The two countries suggested that the OIC table a resolution on the matter at the current General Assembly of the United Nations. This can be done by Pakistan which is a member of the UN Security Council. This was stated by Foreign Minister Datuk Abdullah Ahmad Badawi after a meeting with his Iranian counterpart, 'Ali Akbar Velayati, in New York. The two ministers also discussed the progress in Malaysia-Iran relations following Datuk Sri Dr. Mahathir's visit to Tehran early this year. They also agreed to propose to their counterparts in ASEAN and the Economic Cooperation Organization the idea of holding a meeting between foreign ministers of the two organizations.

Deputy Minister Notes More Exports to China

BK2409092693 Kuala Lumpur Voice of Malaysia in English 0800 GMT 24 Sep 93

[Text] Malaysia's exports to China in the first five months of this year have grown to 67.6 percent as compared to the previous corresponding period.

Deputy Minister of International Trade and Industry, Mr Chua Jui Meng, said during the period Malaysian exports have grown considerably to 1.04 billion ringgit from 620 million ringgit in the same period last year.

While the economies of the industrial nations have staggered in slow growth, China's economy had recorded very impressive growth rates. It was the eleventh largest trading nation last year with a total trade of 420.7 million ringgit.

He said economists around the world had predicted that China's trade would double in the next five years and doubling again five years from then.

Mr Chua was speaking to newsmen after inaugurating the Malaysia and Beijing mutual investment dialogue session in Kuala Lumpur.

Defense Cooperation Accord Signed With Italy

BK2809103693 Kuala Lumpur BERNAMA in English 0740 GMT 28 Sep 93

[Text] Kuala Lumpur, Sept. 28 (OANA/BERNAMA)—Italy Tuesday signed a defence-based memorandum of understanding (MOU) with Malaysia, its first with an ASEAN member country.

Italian Defence Minister Senator Fabio Fabbri represented his country while Defence Minister Najib Razak signed on behalf of Malaysia.

The MOU seeks to foster closer working relationship between Malaysian and Italian defence industrialists. The MOU provides the avenue for exchange of personnel training and military cooperation between the Armed Forces of both nations.

Italy is one of the Malaysian Armed Forces defence equipment manufacturers, having supplied helicopters, trainer aircraft and vessels over the years.

The latest purchase was the [word indistinct] for the Royal Malaysian Navy.

Fabbri said Italian defence manufacturers were interested in the multi-million ringgit project to build 27 patrol vessels for the Navy by the Naval Dockyard Sdn. Bhd., a privatised dockyard company of the ministry.

Najib announced last week that the ministry was looking for foreign partners for the project which was awarded to the dockyard on Sept. 15. The first vessel was expected to roll out of the production line two years from next month.

Minister Discloses Declining Foreign Investment

BK2909103393 Kuala Lumpur UTUSAN MALAYSIA in Malay 11 Sep 93 p 11

[Excerpt] Kuala Lumpur, 10 September—Foreign investment in Malaysia in the first seven months of this year dropped by 82 percent to 2.41 billion ringgit compared to 13.45 billion ringgit during the corresponding period in 1992.

Deputy Minister of International Trade and Industry Chua Jui Meng said the unfavorable economic situation in major investor countries, namely, the United States, Japan, Europe, and Australia, was the main factor for the investment drop. Another factor is the foreign investors' decision to shift their capital to China and Vietnam,

which have lower labor costs. This is especially true for foreign companies which invest in labor-intensive industries.

"However, the drop does not reflect the real situation of the overall investment sector in this country," he said after attending the signing ceremony of a Malaysia-Canada funding joint venture between Amanah Merchant Bank and Trans Pacific Asset Management Limited here today. He noted that Malaysia had managed to achieve 78.7 percent of the targetted foreign investment during the Sixth Malaysia Plan, namely, 63 billion ringgit against the targetted foreign investment of 80 billion ringgit.

Chua said the foreign investors' rush into China and Vietnam does not worry Malaysia because the country is not keen on labor-intensive industries, noting that Malaysia wants to develop high-technology industries instead. [passage omitted]

Ghafar Baba Resigns as Sabah National Front Chief

BK3009092193 Kuala Lumpur Voice of Malaysia in English 0800 GMT 30 Sep 93

[Text] Deputy Prime Minister Mr. Ghafar Baba has resigned as chairman of the Sabah Barisan Nasional [National Front] and head of the Sabah UMNO [United Malays National Organization] Liaison Committee. He announced his resignation from the posts in a gathering in Kota Kinabalu. He said his decision was due to an absence of cooperation from all state UMNO divisions in the state, except the minister for Sabah affairs, Tun Datu Haji Mustapaha Datuk Harun.

Official Says Power Crisis 'Under Control'

BK2609125393 Kuala Lumpur NEW STRAITS TIMES in English 24 Sep 93 p 14

[By Zainul Arifin]

[Excerpt] The power crisis that affected the nation since early this year is now under control. Tenaga Nasional [National Electricity Agency] executive chairman Tan Sri Dr. Ani Arope said yesterday there had not been any load shedding, or power cuts, for seven weeks now. "We seem to be out of the woods," he told reporters yesterday after a consultancy contract signing ceremony between Tenaga and Ranhill-BVI Consortium at Carcosa Sri Negara in Kuala Lumpur. However, he declined to categorically say that the power crisis was over, when asked whether he would declare it to be such. "I would say the situation is manageable."

Ani said, depending on demand, there had been a daily power supply excess ranging from 400mw [megawatt] to 1,000mw. Peak power demand daily ranges between 4,700mw and 4,800mw. However, Ani said, there had been several isolated power interruptions due to factors beyond Tenaga's control such as storms or accidents.

"But we're in a dynamic flux, things are moving so fast. "If tomorrow someone decides to put up a steel mill, then things will be different."

He said the main factor leading to the comfortable situation was the commissioning of two gas turbines at the Connaught Bridge Power Station in Klang early last month.

The power shortage crisis began with a blackout that affected most of the country on 29 September last year after lightning crippled the national power grid. In the following months, whenever demand exceeded supply, Tenaga had to undertake power curtailment and load shedding exercises, resulting in power interruptions.

At the signing ceremony yesterday, Tenaga awarded Ranhill-BVI a 32.8-million-ringgit consultation contract for Phase I (Kapar, Selangor to Gurun, Kedah) of the proposed 500kV [kilovolt] extra high voltage transmission system. The transmission system will complement the existing 275kV and 132kV grid network.

Ranhill-BVI Chairman Ghazali Bujang said the consortium would be responsible for the designing and engineering of the project, the first of its kind in Malaysia. [passage omitted]

Singapore

Companies Form Consortium for Projects in India

BK2509130093 Singapore *THE STRAITS TIMES* in English 25 Sep 93 p 2

[By Tan Sung]

[Text] Three government-linked companies, Singapore Technologies Industrial Corporation, Jurong Town Corporation and Temasek Holdings, have formed a consortium to develop a \$100 million [Singapore currency] Bangalore Information Technology Park in India, sources said.

The five-member Singapore consortium, which includes public-listed L&M Group Investments and Parameswara Holdings—the investment arm of the Singapore Indian Chamber of Commerce and Industry (SIndCCI)—will take a 40 percent stake in the project.

The remaining 60 percent will be taken up by an Indian consortium led by India's largest conglomerate, the Tata Group, and the Karnataka state government, of which Bangalore is its capital city.

The \$5 billion Tata Group has about 100 companies in its stable, including three of the country's top 10 private firms—Tata Iron and Steel Company (Tisco), Tata Engineering and Locomotive Company (Telco), and Associated Cement Company (ACC).

Parameswara deputy chairman, Mr S. Hassanbhai, when contacted confirmed that it is taking a 10 percent stake in the Singapore consortium.

However, he declined to provide details except to say that he is following a Singapore mission to India early next month to finalise the details of the project.

He added that SIndCCI chairman, Mr M.K.Chanrai, is also leaving separately for the sub-continent next month to work out details of Parameswara's participation in another \$200 million Bangalore Convention Centre project.

Sources say that this second project will involve another consortium of about six Singapore private and government-listed companies. Details of both projects are likely to be announced in the next few months.

The GLC's [government-listed companies] push into India is in line with Prime Minister Goh Chok Tong's call to businessmen in May to seek opportunities throughout the region and not just focus on any one market alone.

In his keynote address to the Regionalisation Forum then, he warned the private sector not to place all its eggs in one basket, but to explore markets "wherever we are welcome, and wherever the prospects appear viable."

At the private sector level, the \$10 million Parameswara was incorporated by SIndCCI in April to spearhead its investment thrust into the sub-continent.

Mr Hassanbhai said that 35 local companies and individuals have to-date approached the company to commit a further \$8 million worth of funds for specific projects in India.

Cambodia

Khieu Samphan in Phnom Penh; Offers Cease-Fire

BK0110060493 Hong Kong AFP in English 0554 GMT 1 Oct 93

[Text] Phnom Penh, Oct 1 (AFP)—The radical Khmer Rouge offered Friday to stop fighting and start talking about peace in Cambodia as the guerrillas' nominal leader Khieu Samphan arrived declaring his support for the new monarchy ahead of discussions with the king.

"Concerning the ceasefire issue, the Democratic Kampuchea [DK] Party (Khmer Rouge) is really interested in having a ceasefire," faction spokesman Tep Khunal told AFP. "In order to have a real ceasefire, the DK party would propose a ceasefire monitoring commission," he said. "We have declared many times on this issue that the DK party is not going to wage any war. On the contrary, it is the Vietnamese and their puppet government that continuously created war."

The call came as the Thai military reported a brief flare-up of fighting near the Thai-Cambodian border instigated by the Khmer Rouge. Guerrillas captured a Cambodian government post briefly before being ousted in a government counter-attack.

Khieu Samphan made a rote statement upon his arrival at the airport, saying the Khmer Rouge support the constitutional monarchy put into place last week. He did not answer questions. "We the DK party, as well as the whole Cambodian nation and people, wish the new constitution be respected and implemented by everyone in its spirit and in its letter, especially its Article 1 and Article 52," he said.

The first article defines Cambodia as a sovereign, independent, peaceful, permanently neutral and nonaligned kingdom. Article 52 says that the state should protect these tenets, adopt a national reconciliation policy and ensure public order and security to improve living standards for Cambodians.

He also said he supported Cambodia's territorial boundaries as defined between 1933 and 1953.

Khieu Samphan is due to have discussions with King Norodom Sihanouk during the visit of an unspecified duration.

The king has asked the Khmer Rouge to lay down their weapons and open up their zones of control in exchange for an advisory role in the new government. The Khmer Rouge have offered in previous statements to integrate their guerrillas into the new Cambodian Armed Forces in exchange for an advisory role, but they made no mention of laying down their weapons or opening up their zones of control.

Roundtable talks on the issue between all the Cambodian leaders are scheduled for late October or early November. "If any factions or political leaders who want to raise any questions, we will have the roundtable to listen to any proposals made by any political leader or faction," Tep Khunal said.

The Cambodia co-prime ministers are currently in New York attending the United Nations General Assembly's 48th session.

Khmer Rouge Radio Says Hun Sen Declares War

BK3009052593 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 Sep 93

[Editorial: "Hun Sen Openly Declares War, Voicing Opposition to the Roundtable and His Majesty King Father Norodom Sihanouk's National Reconciliation Policy. Is Hun Sen a Cambodian or Is He a Vietnamese Communist?"]

[Text] I. On 28 September, Hun Sen made a statement which can be interpreted as follows:

A. A declaration of war against the Cambodian nation, people, and the Cambodian national resistance forces [CNRF].

B. An opposition to the roundtable plan initiated by His Majesty King Father Norodom Sihanouk.

C. An opposition to His Majesty King Father Norodom Sihanouk's national reconciliation plan.

These are not new essences.

1. This is not the first time that Hun Sen has declared war against the Cambodian nation, people, and CNRF. Through the Vietnamese communists, he has declared war against the Cambodian nation and people and CNRF since 1979.

2. This is also not the first time that Hun Sen has opposed the roundtable plan and national reconciliation plan of His Majesty King Father Norodom Sihanouk. Right after the King Father put forth this national reconciliation plan on 1 April [date as heard; previous items say 1 March 1993], the Vietnamese, Hun Sen, and their other crooked foreign cronies immediately opposed it. They kept opposing it thereafter. They have opposed and continued to oppose the roundtable plan put forth on 13 September by the king head of state after receiving His Excellency Khieu Samphan, head of the party of Democratic Kampuchea [PDK].

II. This statement clearly shows Hun Sen's evil face after the promulgation of the new Constitution. That is:

A. Through this statement, he tries to conceal the Vietnamese puppet administration installed in Cambodia by Vietnam since 1979. They have maintained 99 percent of this Vietnamese puppet administration.

B. This statement constitutes a threat for the king, the two-headed government, the assembly, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, the Buddhist Liberal Democratic Party [BLDP], and the other national forces to abandon the national reconciliation policy and November 1993 roundtable plan. His threat implies: I am a member of the Vietnamese Communist Party [VCP]. You are just an ant. So you must follow the VCP's orders.

C. He tries to conceal the old and new Vietnamese settlers who are plundering and killing the Cambodian nation and people.

D. He tries to conceal the treaty that enables Vietnam to annex Cambodia's territory, islands, seas, and continental shelf, and to open the Cambodian border for the Vietnamese to travel in and out of Cambodia at will.

E. He tries to conceal his traitorous acts in selling out the nation and the state's land, houses, and everything.

F. He tries to conceal the collapse in economic field, not having a single cent in the state treasury.

III. To whom do all these essences belong? Where does Hun Sen come from? Whose policies is he serving? Whose interests is he serving?

Our entire nation and people, as well as the overwhelming majority of members of the world community,

are well aware of the true nature of the Vietnamese puppet ringleaders. They know that:

A. Hun Sen and the other ringleaders of the so-called Cambodian People's Party come from the Hanoi Vietnamese aggressors and the VCP which has installed them since 1979.

B. After UNTAC [UN Transitional Authority in Cambodia] arrived in Cambodia, UNTAC and the allies inside and outside UNTAC did not implement the Paris agreement nor supervise the withdrawal of Vietnamese aggressor forces from Cambodia. On the contrary, they joined hands with the Vietnamese aggressors in maintaining and enabling all categories of Vietnamese aggressors to continue invading and occupying Cambodia, and preserving Vietnam's puppet administrative structures.

C. After UNTAC-organized elections, the Vietnamese and their puppets opposed the outcome of the elections and threatened that if a two-headed government was not formed, they would attack and smash FUNCINPEC to pieces and there would be bloodshed. In reality, they killed hundreds and even thousands of FUNCINPEC members and forced thousands of others to desert their home and flee in disarray to take refuge with the PDK.

In sum, Hun Sen and the other puppet ringleaders in Phnom Penh come from the aggressor Vietnamese Communists. They are the figureheads installed by the VCP and maintained by the allies for serving their interests and policies to suck the Cambodian nation and the people's blood and to destroy the Kingdom of Cambodia, FUNCINPEC, BLDP, and national forces.

IV. How do the Cambodian nation and people judge this expression by Hun Sen?

A. Our nation and people clearly see that this expression by Hun Sen runs totally against and fully opposes His Majesty King Father Norodom Sihanouk. The King Father has tried to persuade all children to unite and reconcile so as to have sufficient national forces to enable Cambodia to enjoy peace and prosperity as in the Sangkum Reas Niyum and Angkor periods.

Hun Sen's above-mentioned essences run against and oppose the essence of Article 1 and other important articles of the Constitution which say the Kingdom of Cambodia is a state which is peaceful, independent, sovereign, unified, and so forth. Hardly had the ink on the Constitution and those important articles dried out, when Hun Sen, at the orders of the Vietnamese and their other crooked cronies, came out to voice opposition. Is this not opposition to and an attempt to destroy the king, Kingdom of Cambodia, FUNCINPEC, BLDP, the nation, and people?

V. How to resolve these problems? These problems are known not only to our nation and people, but also to the overwhelming majority members of the world community who have kept saying that after UNTAC leaves

Cambodia, the Vietnamese aggressor forces and VCP authorities are basically maintained in Cambodia.

This is why after the UNTAC-organized elections, all problems remained unsettled and become even more complex. Our Cambodian people have made a clear judgement and the world is voicing the opinion that the only solution is:

A. To rely on the august influence of His Majesty King Norodom Sihanouk.

B. To rely on the entire Cambodian national forces in support of His Majesty King Norodom Sihanouk's national reconciliation policy.

The entire Cambodian nation and people believe that only by relying on these two forces, which are powerful national forces, can we resolve the serious problems menacing our national and popular survival and which our nation and people are facing.

Radio Views Forces Opposed to Reconciliation

BK2909013993 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Sep 93

[Editorial: "Stand Firmly on All National Forces, Firmly Rely on King Norodom Sihanouk, and Stick to Rallying All National Forces To Solve the Problem So That Cambodia Has Peace, Unity, and Sovereignty"]

[Text] General opinion in various national circles—including the views of people, students, professors, teachers, various bulletins, personalities in the assembly, and various peace and justice-loving countries the world over, particularly in this region—have again and again called for Cambodian national reconciliation so that there can be peace, independence, unity, and sovereignty in Cambodia and also peace and security in the region.

Yet the Vietnamese aggressors and a handful of their puppets, who control 99 percent of the state authority in Cambodia, and some bad foreigners who are tearing up Cambodia for their own interests, continue to carry out activities against the Cambodian nation and people. These people have always behaved this way; they do not want Cambodia to achieve reconciliation and thereby regain peace, independence, unity, sovereignty, and territorial integrity. From the beginning they made threats and opposed the granting of any rights or power to head of state King Norodom Sihanouk.

Prince Norodom Ranariddh has charged that this is the work of U.S. CIA elements among the U.S. supporters of human rights, who—in collaboration with Vietnam and its puppets—have carried out all kinds of activities and used every means to destroy systematically Cambodia's peace, national reconciliation, independence, unity, and sovereignty. They have carried this out insistently in

accordance with their strategy and interests. This confirms their hideous and dirty nature. They oppose Cambodian national and popular opinion, the king father's national reconciliation plan, and the political program for national reconciliation formulated by FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Buddhist Liberal Democratic Party. This runs counter to the current of national reconciliation and peace and opposes the Cambodian people's right to self-determination. It runs counter to democracy, rights and freedoms, and human rights, which these people have been constantly shouting about. In fact, their activities stink.

This being the case, the Cambodian nation and people categorically oppose these people. They will rely on head of state King Norodom Sihanouk and the reconciliation of the entire Cambodian nation, without discarding any national forces. This will prevent bad foreigners from meddling in Cambodia's internal affairs so that Cambodian problems can be resolved successively. Take the following problems, for example:

1. The issue of the Vietnamese aggressor forces that are still within the military and civilian sectors;
2. The issue of the millions of new Vietnamese who are flowing into Cambodia;
3. The agreements and treaties, prepared by Vietnam for its puppets to sign, that annex Cambodian territory, highlands, seas, and maritime borders;
4. The treaty allowing movement between Vietnam and Cambodia, which in fact erases the border, and so forth;
5. The issue of solving and reviving the national economy;
6. The issue of solving the security problem in society for the people who are currently being plagued by banditry, terrorism, and murder committed by Vietnam and its puppet state authority, and so forth.

These are great problems that have been left unresolved. For this reason, the Cambodian nation and people want national reconciliation with the participation of all national forces and need King Norodom Sihanouk. These two powerful forces are needed to solve vital national problems.

King Sihanouk Speaks at Kompong Speu Meeting

BK3009043793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 29 Sep 93

[Speech by King Norodom Sihanouk at a mass meeting in Kompong Speu Province on 29 September—recorded, including break in transmission]

[Text] My most humble respects to all the venerable Buddhist monks here, including the six venerable abbots representing our glorious Buddhism—which I treasure

more than my own life—and also representing Buddhist-protected Kompong Speu Province. I would like to salute His Excellency [H.E.] Chairman Chea Sim; excellencies; madams; gentlemen; ladies; princes; princesses; and all the beloved brothers, children, grandchildren, and great-grandchildren of your king father and queen mother. I also salute all our foreign friends that are present.

I am extremely elated to be able to visit you—my brothers, children, grandchildren, and great-grandchildren in Kompong Speu Province—in this very pleasant place, and to bring aid to those of you in a number of villages that are experiencing drought or lack the water to conduct your agricultural activities, thereby bringing problems and hardship to your livelihood.

As all of you know, just like when I ascended the throne in 1941, especially during the era of Sangkum Reas Niyum, which I headed; and since I returned to the motherland in 1991 at the invitation and in the company of the Cambodian People's Party [CPP], with H.E. Chea Sim as chairman; and now after you, my children, selected your representatives in a free election, and these 120 representatives in our National Assembly decided to make me king again to provide shade for the nation in accordance with our traditions and guarantee the freedom and rights of all Cambodian citizens; thus, following my coronation as king and my wife as queen, your king father and queen mother have taken hasty leave of our children in Phnom Penh and wasted no time in visiting you in the provinces. [sentence as heard] Just the other day I visited my children in Baphnum, Prey Veng Province. Today, I am honored to meet you in Kompong Speu Province.

I am honored to bring you three gifts. The first gift is rice most generously donated by H.E. President Suharto, whom I regard as my elder brother. He is the Indonesian head of state. I bring rice for those of you who are in dire need of it. One part is for Takeo, another for you here in Kompong Speu, another for Kompong Chhnang, and yet another has already gone to Prey Veng. The second gift is a royal gift from the Kingdom of Thailand, also a great friend of Cambodia. It includes blankets, mosquito netting, scarves, sarongs, soap, and sugar. The third gift comes from the royal government and the CPP, represented here by H.E. Chairman Chea Sim.

Also here are his excellency the royal ambassador of the Kingdom of Thailand and his excellency the ambassador of the Republic of Indonesia and madam. We also would like to welcome General Navet na Nongkhai of the Kingdom of Thailand. [applause] You are most welcome here. I thank H.E. President Suharto and the royal government of the Kingdom of Thailand for showing great kindness to my children. I therefore most profoundly thank the head of state and royal government of Cambodia's two great friends. [applause]

Beloved children, scarcity of water is a problem that Kompong Speu Province has always experienced. We are

going to find different measures to deal with it. However... [one minute break in transmission]

...We must make every effort to plant trees. Large-scale deforestation normally results in a shortage of rain. The clouds that give us rain are not formed over wastelands but over forested areas. If we have forests the weather is cool. When it is cool we get clouds and with clouds the rain. Therefore, we must grow as many trees as possible. We must grow them now for the sake of our great and great-great-grandchildren's future, so they will not suffer from famine as in some other countries, such as Ethiopia, Somalia, and other African countries. A number of countries in the world are experiencing drought because of a lack of rain caused by excessive deforestation. We can cite the example of Brazil in South America, which was once covered with dense tropical forests but is now facing a colossal problem because of unbridled deforestation.

Sometimes, however, we get too much rain water and suffer from flooding. This is because of the absence of trees and plants to slow down and absorb the water. So when it rains the water becomes torrential and damages rice fields, houses, cattle, and sometimes even human lives.

Therefore, it is a fact that the forests give us rain, prevent floods, and provide water for breeding fish. We used to have fish and crabs in water-logged fields. So the greening of the land is necessary. I would therefore like to appeal to our royal government—born out of a free general election—to please pay close attention to this matter. I also call upon the parliament and the MP's to deal with this problem by seriously embarking on a reforestation policy.

On the other hand, there was a water conservation policy that was greatly promoted during the Sangkum Reas Niyum era of the 1950's and 1960's. We must advocate the water conservation policy and find water for the people by digging more wells, ditches, and ponds and building small dams and reservoirs to save and conserve water so that during the dry season, for example, we will have water for both agriculture and consumption. Do not forget that we need water just as we need rice to survive. Our cattle also need water. So we must embark on a water conservation policy.

I have already told a number of friendly countries that asked me what I needed that first of all they should help us with our water conservation policy. For instance, the PRC has now decided to provide us with the equipment to sink 500 wells. I ask H.E. Deputy Minister Kong Sam-ol, who is also present—he is concurrently minister of the royal palace and minister of agriculture—to please contact our great friend China to help us sink wells in Kompong Speu first. [applause]

Moreover, about the bulldozers needed to clear land and build reservoirs to retain rain water—if any friendly countries ask us what we need in addition to sinking

wells, we will tell them we would love to have bulldozers to dig ditches, small dams, and ponds.

I have more good news. A country... [pauses] What is it again? Yes, Malaysia, which was known to us in the past as Malayu, has informed me through its ambassador, who presented his credentials yesterday, that since your majesty wishes to boost the water conservation policy, Malaysia will provide Cambodia with water pumps to bring water to the monasteries or the rice fields. [applause]

Therefore, we can see that we are getting more and better means. We are going to beg for more. In clerical language this is called begging for alms. So we are going to beg for alms because we are poor, my children. We were at war for 23 years; we suffered so much in those 23 years. During those years there was a bitter period when many people were massacred. Now that we have been healed of the major illness that sent our country—our nation—to the brink; now that we are reunited and have solved the main, basic problem of the fighting; and now that we have become a liberal democracy under which our people will henceforth be the masters of their own country and destiny, with a parliament and MP's [members of parliament] to serve them and a government born out of the people, my children thus have every means to provide their country with a glorious future. You can begin by making the country as prosperous and glorious as during the Sangkum Reas Niyum era, and later as advanced and developed as the Angkor era, which was one of the top civilizations in the world. [applause]

We are in a position to carry out this task on the main basis of peace. We have peace because we are united. The parties that you elected to parliament are: first, the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party of Prince Kromluong Norodom Ranariddh; and second, the CPP with H.E. Chairman Chea Sim as the enlightened eminent leader and H.E. Hun Sen as vice chairman. These are the two major victorious parties. This was the decision made by you, my children, the electorate. A third party—a small one—is the party of H.E. Samdech Son Sann, the Buddhist Liberal Democratic Party. Another tiny party with a single seat in the parliament is the MOULINAKA [Cambodian National Liberation Front] party. These four parties are your servants.

As far as I am concerned, I am your king, but you must not regard me as a ruler. No, I am not. We must usher in a new era in which the king is a servant of the people. Personally, when I was king, and then under Sangkum Reas Niyum, I never considered myself to be a ruler; I always considered myself a servant of the people, of the citizens, of my subjects. For this reason, foreign observers are amazed to discover that the people love Sihanouk in a very strange way. Why do the people love me? It is because I have always served the people. I worked in the dirt along with you when we were building our achievements together. I dug dirt shoulder to

shoulder with you at building sites. I was always close to you. Even now, coming here, I am not dressed up or wearing any decorations. I have no personal wealth. I have never indulged in corruption. I sincerely serve you, my children. I have nothing more than my naked body, but my heart and soul are devoted to the Cambodian motherland and to my children—the people—the masters of Cambodia's land and destiny. [applause]

Therefore, we are now inaugurating a new era. Let us not be mistaken. We are second to no country in the world when it comes to the fact that our citizens are given full freedom and are the masters of the land, the votes, the parliament, the government, and even the head of state. No, we are second to none. It is said that the most progressive democracy is that of France, the United States, or Great Britain. Mind you, from now on we are second to none. We even beat them, because our citizens have more power than theirs. In the United States, the head of state wields almost dictatorial power. Of course, he cannot be a dictator because there is the Congress. Yet the U.S. head of state holds considerable power. The French head of state also holds great power. But the Cambodian head of state—the Cambodian king—has none. I do not ask for any power. I ask only to serve the people. I absolutely ask for no power. Therefore, if we talk about liberal democracy, we must be the most progressive. [applause]

We must not be progressive only on paper, however. We must not be progressive only in words. We must be progressive in our deeds as well. This said, I beg the parliament to behave like the king, I beg the government to behave like the king, and I beg our authorities to behave like the king. Let us serve the people; let us not rule but serve. If the people want something, they should ask the parliament for it. The people have their representatives. If you, my children, want something you should contact your representatives or the parliament itself. You can do that. If you want something you should also contact the government. If you want to criticize, you also have the right to do so. No one can send you to jail. No one can arrest you for that. You have full freedom to do so. You can criticize and make suggestions. All of us are prepared to serve you. So if you find out that someone does not function well, you may criticize and counsel him with impunity. You can be assured of that. This is the new quality of Cambodia's new era, in which we can be proud that we are a progressive nation. As I just said, however, we should not be progressive in words alone. To be really progressive we must respect the people, we must respect human rights [preceding two words in French] 100 percent, and we must work hard.

If we are not corrupt... [pauses] We must resolutely avoid corruption and injustice. For this reason, our Constitution stipulates that the judiciary is a court of the people; therefore, it is not responsible to the government or the parliament. The judiciary must be independent. Why? So that it will be a real court of the people that respects and serves the people, always gives them justice, and avoids injustice. [applause]

If we are only advanced in democracy—only in politics—then we are not fully advanced. We must be advanced in national reconstruction as well. For instance, the two friendly countries whose ambassadors are here—namely, Indonesia and Thailand—are really advanced overall. They are advanced in the cultural, educational, communications, industrial, agricultural, social, and other fields; this is called advanced or progressive. We therefore must follow the example of the ASEAN countries, such as great Indonesia and great Thailand. We must be advanced in all fields, not just in politics. Only then can we be called an all-around progressive democracy.

For this reason, I would like to say that the most important and urgent task is making water available. If we were asked if we need industries, plants, bridges, and roads, we would reply that certainly we need them; we need them the most. But what we need even more is agriculture. Suppose we had good roads and bridges but no rice to eat. What are the roads and bridges for? If, on the contrary, we had only ox carts but plenty of food, this would be preferable. If we only spend money to buy oil and have no rice for the people, it is not right. We should know our priorities, and the priority is agriculture. For this reason, H.E. Deputy Prime Minister Kong Sam-ol represents both the government and myself. He is both palace minister and agriculture minister. I focus closely on agriculture. The king is not involved in politics and wields no power. Then what is left for him to do? Social, cultural, and agricultural affairs are left. Therefore, Palace Minister Kong Sam-ol will be busy with agriculture, because agriculture is the most important enterprise.

Some have said that we need to build hydroelectric dams to feed electricity to the cities. I love all my children equally, whether they are rural or urban folks. Those in the cities can survive with little discomfort by lighting candles during blackouts. But if we do not have rice to eat, we will die. Moreover, if we promote agriculture, we will obtain rice not just for local consumption but also for export to secure hard currency. This hard currency can be used to support our national currency and keep our economy independent. Without economic independence we might lose our political independence. So there is a difference between political independence and economic independence. We must have a strong economy, but our economy is nothing but agriculture.

There is also the problem of Pailin. Pailin is very rich in all kinds of precious stones. The Khmer Rouge, who control Pailin, have become very rich. It is not right for them to get rich in order to prepare for the continuation of the war and insecurity. I have therefore urged my children in the Khmer Rouge—yes, all 8 million of you are my children, whether red, blue, purple, green, yellow, or white—to come and talk. Mr. Khieu Samphan will call on me in the next few days, but nothing will be worked out between the Khmer Rouge and our government. After 9 November, when I celebrate the 40th anniversary of the full independence we won from the

French in 1953, there will be a roundtable [preceding word in French and then repeated in English] to which Mr. Khieu Samphan and Chan Youran, who represent the Khmer Rouge, are invited to discuss what is right and what is wrong with the royal government and the parliament. The leaders who will attend this roundtable among Cambodians—to be held in the Royal Palace in Phnom Penh—are H.E. Chairman Chea Sim, H.E. Samdech Son Sann, H.E. Parliament Vice Chairman Ing Kiet, Prime Ministers Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, and King Sihanouk. I will not be the arbitrator but the national reconciliator, or coordinator.

We must allow no one—not just the Khmer Rouge—to divide our country in two. No other country would tolerate that. The Khmer Rouge must return to the nation—to the Cambodian state—Pailin, the Preah Vihear temple, and some other areas. These areas are densely forested, such as in Preah Vihear Province. The logging business brings in hundreds of millions of dollars a year. Coupled with the hundreds of millions of dollars from the sale of Pailin's precious stones, this would be a huge sum of money. If this money was distributed among the people of Kompong Speu Province, it would not just become a rich province but the greatest province in the country, and the people would not be so miserable. The Khmer Rouge are wrong to use these assets to finance the war. They should be told this over radio and television: My children the Khmer Rouge, you should stop doing such a silly thing.

They must return Pailin to the nation; they must return Preah Vihear to the nation so that the nation is reunified. They told me they would return them but asked what I would give them in return. I asked them what they wanted. They said they wanted an advisory role in the civilian and military administrations. I endorsed that. But lately I have heard that they even want to be ministers and join the government. How can that be? They boycotted the elections and even intimidated those who went to the polls, threatening them with danger and even loss of life. When the elections were successfully held, the parliament was formed, and the people took the seat of power, they said they wanted to share power with the people. We will have to wait and see what Prince Kromluong and H.E. Hun Sen concede to them.

Yesterday the journalists posed a question to prince Kromluong and H.E. Hun Sen. They were told by H.E. Hun Sen that there is only a 1 percent chance for the roundtable to be successful and a 99 percent chance for it to fail. If this is true, then it is very deplorable, my children. One percent is too little. Fifty percent would have been more acceptable. One percent is a failure. Whether it is a failure or not, however, I will do my best to bring a solution to this Khmer Rouge problem so we can be reunited and really happy.

I know there are some Khmer Rouge in Kompong Speu Province, especially at Phnum Aoral and Kong Pisei. You would not deny that, would you?. Therefore, I

appeal to my children the Khmer Rouge to agree to join the mainstream. If we are united we can work together in the water conservancy policy, is that not correct? You have gained so much in these years of dealings; you should be satiated. You have made hundreds of millions of dollars [preceding five words repeated in French] each year. Your pockets are full to bursting. You should know when to stop raking in and let the nation survive.

Well, I think I should end my speech here. They might take me for a very grumpy old man because I keep nagging them. So, this is the end of my speech and we are going to distribute the gifts. My children, you should always remain united. You will never be divided again, right? Together we will build our peace. In the future, it is all of you who are the inspectors of the Parliament and the government, your servants. Is it not right, Chairman Chea Sim? Chairman Chea Sim here, I am sure, seconds my view 100 percent.

Now, I invite H.E. Palace Minister Kong Sam-ol to come up and tell us how to distribute and what is to be distributed to my children.

In conclusion, I pray to the three jewels of Buddhism. May they protect the beloved brothers, children, grandchildren, and great-grandchildren of the King Father and Queen Mother. May you always enjoy the five blessings of Lord Buddha. Thank you very much, my children.

Addresses Takeo Province Gathering

BK0110085593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 30 Sep 93

[Speech by King Norodom Sihanouk at a monastery in Bati District, Takeo Province on 30 September—recorded]

[Text] Greetings to the clergy. Greetings to His Excellency [H.E.] Chairman Chea Sim, excellencies, princes, and ladies and gentlemen, and most beloved compatriots of the king father, grandfather, and great grandfather and the queen mother and grandmother. You are fine citizens and youths of our noble Takeo Province.

Greetings to all foreign friends, particularly excellencies ambassador of the Republic of Indonesia, a great country, and the charge d'affaires of the Kingdom of Thailand, and their respective spouses. These men are fine diplomats from friendly countries, namely the Kingdom of Thailand and Indonesia.

First of all, the king father, grandfather, great-grandfather, queen mother, and grandmother would like to thank you all very much, and also personalities in Takeo Province, including the provincial governor, and particularly the clergy in the noble province of Takeo, for kindly organizing a sumptuous reception full of love, trust, and sincere sentiments for the king father, grandfather, great grandfather, queen mother and grandmother. My wife and I are immensely happy and very

moved by the visit to compatriots in Takeo and in particular in the noble district of Bati.

As H.E. the provincial governor has just said and recalled in his fine speech, since returning home in November 1991, Prince Norodom Sihanouk, father of the nation, I and my wife were honored to have opportunities to visit compatriots, children, grandchildren, and great-grandchildren, and the clergy in Takeo three times. This is the third time. [applause] This is evidence of the affection and genuine sentiments from myself and my wife to the children in Takeo Province, all the children, and also to all the 8 million, or over 8 million, of our compatriots all over our Cambodia.

I would like to speak from Takeo Province to all children, grandchildren, and great-grandchildren in all of our noble provinces in our Kingdom of Cambodia, and say that I love you all equally, whether you have high or low rank, are old or young, male or female, monks or lay people. I have always loved, respected, defended, and served you all equally without any discrimination. You are all considered my own children, grandchildren, and great-grandchildren, and relatives. There is no discrimination.

Therefore, children, compatriots, and clergy in other provinces that I visited once, twice, three times, or four times, or have not yet visited, please understand that wherever I go, I greet everyone equally with the same affection. [applause]

Today I am fortunate to be at this fine place to meet you and to have been finely received by you all. In a warm atmosphere of mutual affection and mutual trust, I take this as an encouragement for me and my wife, the way you affectionately refer to us as father and mother, grandfather and grandmother.

I have heard that at some places in our Cambodia, there have been some problems in the rainy season, namely the lack of water and the lack of rain. All along my travels through the Kingdom of Cambodia I have been holding prayer ceremonies, particularly in the Preah Kev Morakot temple next to the royal palace. At times, the ceremonies take place at Angkor Wat, Angkor Thom, and Phnum Kulen.

Last week, before the coronation and before the promulgation of the new Constitution—the Constitution is an achievement of your representatives in Parliament—I prayed that the gods, the merit of the Buddhist triple jewel, and the souls of our kings and queens, will look after all of you and that you will all be united in order to have peace forever and have sufficient rainfall for you in the countryside. [applause]

As the provincial governor said, during the promulgation of our new Constitution in Phnom Penh and the coronation, you and your representatives have unanimously decided to make us your shelter as we were before, as king and queen. Thankfully, the Takeo provincial governor has said that there has been enough rain the past

few days last week [change of thought], this week. I am very happy for this. I will continue to pray for you to have enough water so that you can avoid a shortage of rice. Rice is very important for us.

I would like to remind you that our royal national government has the duty to try to assist you as follows:

First, plant more trees to make the forest more dense, which will induce the formation of clouds. With clouds cooling our earth, more rain will follow. Trees and forests help prevent flood damage to the lives of our people, cattle, or land. So, forest is most important to agriculture and farmers. It is also useful economically, such as when used as construction material for building houses and as firewood for cooking. It is of great benefit to the economy and the national budget. If we allow forests to be lost through excessive logging without replanting them [change of thought] Trees can be cut, but they should be replanted. For instance, if we cut one, two of three should be replanted, the way it is done in some countries such as the PRC. This way we will be more prosperous and not be short of rainfall.

Secondly, we have to implement a water policy and proceed from the Sangkum Reas Niyum [Sihanouk's former political party]. The children in Takeo Province and the Cambodian People's Party [CPP], under the ingenious leadership of Chairman Chea Sim, who is accompanying me today, have been making efforts to proceed from the Sangkum Reas Niyum. Primary and secondary schools, colleges, and universities have increased. The number of students and teachers have also increased. Progress has also been made in the public health sector. This is the progress from the Sangkum Reas Niyum party led by the king father in the 1950's and 1960's, up until 1969. This is very good.

The royal government—with the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, which won the elections with great success, cooperating with the CPP, along with another small party, that of H.E. Samdech Son Sann, and an even smaller party named MOLI-NAKA [National Liberation Movement of Cambodia]—has been asked to continue making efforts to implement the water policy. More wells and reservoirs should be dug to store water when the gods give us rain. When there is plenty of water, we should store part of it for use in the dry season, for the time when we are short of water. Therefore, we should make efforts to implement this water policy.

Now I would like to remind you that we should strive to contact wealthy countries to assist us first in this water policy. In other words, if they have equipment for drilling wells, we should ask for aid in the form of this equipment to dig more wells in every village. If they possess road building or digging equipment, we should request that this equipment be brought over to help us on

a timely basis. So, whatever means these countries possess, ask them to bring their equipment over, even motor pumps.

Yesterday I informed the children in Kompong Speu Province about the following event. After hearing our request, the PRC has decided to help us dig wells in Cambodia, starting with 500 wells. Furthermore, the Kingdom of Malaysia has also decided to send over motor pumps to assist you.

So, there are places that are short of water, such as in Bati District. Some places in Kompong Speu face the same problem. This also happens in Kompong Chhnang, Prey Veng, and other provinces. Therefore, we are making efforts to implement the water policy ourselves while asking for aid at the same time, the way monks go round asking for alms. This is to improve our living standards. So, we should welcome aid in the form of bulldozers, well-digging equipment, pumps, and so on. I will continue to help you in every field, particularly with agriculture and water policy. These are vital to you and to our nation. If agriculture is developed, our nation will develop. Our people and citizens will be prosperous and happy.

What do we need? Independence. I have already brought it back. What else? Peace. I have also restored this. What else? Water. The water policy will be continued to provide you with the greatest assistance available.

I would like to talk a bit about our new Constitution. The Constitution is the basic law, the greatest law in our country. Who make this law? It is not made by the king or ministers at will. It is made by our people, yourselves, who are from now on masters of the land and of all sorts of power. You freely took part in the general election and chose some parties to represent you. You have elected 120 representatives to Parliament.

Parliament is, from now on, the biggest institution of our nation. Who does Parliament belong to? It belongs to the people. It is yours. You have set this up. Now Parliament drafts all types of laws to benefit you, the nation, and the motherland. [applause] Parliament drafts the main law called the Constitution. This is the basic law for you to use. What is the meaning of this law? If we want to talk about this in detail, we need five hours, not one. However, I am not going to make it difficult for you. I am not going to talk for five hours. I ask to talk for just 10 minutes.

You have rights and freedoms as citizens and people of an independent country. You enjoy all sorts of rights and freedoms. From now on, no one has the right to threaten you or to prevent you from enjoying your freedom fully, except when you commit banditry, robbery, and murder. Apart from robbery, banditry, murder, and violence committed against others, you can enjoy every right and full freedom to the point of even criticizing people's representatives and the government. Police cannot arrest or touch you [laughs]. You have the freedom to go where you like and stop where you want, to work or not to

work, and to go anywhere inside or outside the country. You have the full right to do this. It is limitless. There is no limit. [applause]

There is only one limit, that is, if you use your rights and freedom to infringe upon someone's else rights and freedom, then you are in the wrong. For example if you take other people's property, you will be punished. Even this punishment does not involve death. The death penalty has been abolished. From now on, there is no death penalty. The heaviest penalty is life imprisonment. If you commit murder, you go to jail; there is no other way. However, if you go to prison, the authority has no right to take human life.

This is in accordance with Buddhism. The taking of life is prohibited, except in the defense of our motherland. If aggression is committed against our country, we have to fight it. In doing this, lives will be in danger. The enemies will be in danger, because we will be firing on them, and vice versa. But our country is now at peace and independent with no one committing aggression against us. If we kill someone, even a foreigner, this is wrong, as far as Buddhist principles are concerned. For this reason, I would like to say again that apart from criminal sentences, freedom is otherwise untouched. Even the greatest criminal sentence is life imprisonment. The death penalty is not allowed by law. Therefore, our people's freedom and rights are extensive in the new Constitution of the Kingdom of Cambodia.

Concerning this kingdom and the restoration of monarchy, what does this mean? This means that previously we had kings and were prosperous and glorious since the time of Angkor. In the Sangkum Reas Niyum era, there were King Suramarit and Queen Sisowat Kosumak, whom all of you refer to as the mother of the nation and of whom we still think. We used to have peace and happiness. There was the king father Norodom Sihanouk, whom you love because he has brought you peace and independence and has worked hard with you to serve you and to build and develop our nation in every field: cultural, education, public health, communications, public works, water policy, agriculture, industry, and others. We worked together and made great progress with peace, unity, independence, and territorial integrity. [applause]

We did this together under the protection of the throne and the monarchy. However, we should not confuse this with what is now called royalism, meaning that we love our parents who are king and queen. We cannot refer to this as monarchy; this is royalism, that is love for king and queen as parents. This is no longer monarchy. The king does not rule and does not hold power.

You might ask: If the king does not hold power, who does then? What does the king do? I would like to answer these two questions. If the king does not hold power, that means the people hold the power. Because 8 or 9 million people cannot directly hold power, the people thus hand over power to 120 people's representatives on behalf of

the people and in the interest of the people. These 120 representatives are the ones making all kinds of laws to benefit our motherland and for the direct benefit of the people, yourselves. Therefore, if you want these deputies to do something beneficial to you, please do not hesitate. Contact the people's representatives. The latter should also contact our people, who are the ballot owners. Contact should be very frequent so that we know what the people need. Things should be done for the people to enable all of you to have peace, prosperity, and guarantee for sustaining and protecting your livelihood. [applause]

The power is handed over from the people to the royal government. The government is no longer the king. In the past the king was the government. Now it is called a royal government, but it is not a government of the king. It is called royal government simply because we are a kingdom. The government is chosen by you. You might reply: King Father, it does not seem that we have chosen anything. No, you elected Parliament, and Parliament elects the government. You elected the people's representatives, and the latter elect the government.

Now the deputies have elected Prince Kromluong Norodom Ranariddh, chairman of the royalist FUNCINPEC Party, as leader—FUNCINPEC was very successful in the election—and the CPP, which was also very successful in the election. That is why there are two prime ministers in charge of the government, your government. There are Prince Kromluong Norodom Ranariddh from FUNCINPEC, and H.E. Hun Sen, representing the CPP and vice chairman of the CPP, who is the second prime minister of the government. These two personalities will lead their male and female colleagues—because men and women have equal rights in every field—to present themselves to Parliament who will decide whether they will be allowed to serve the people or not.

So, Parliament and the government serve you. There is another right you also fully have, that is the judicial right. The judiciary is independent of Parliament, the administration, and the government. This is because sometimes the government put pressure on the court. When this happened, the tribunal passed unjust sentences at times.

To avoid pressure on the court, our Constitution states that the judiciary, the justice ministry, and the court belong to the people. Therefore, it is independent from Parliament and from the government. This is to ensure that judges are the people's judges, rendering justice to citizens. The judges do not listen to the government. The government can no longer pressure them from now on. In liberal democracy, our new Constitution is very advanced, children. It is as advanced as that of any country, be it the United States, France, Britain, and so on. We are very advanced. This is to your benefit.

Now we also need advances in national construction and national economy. This is why just now I appealed for

our government, administration, and Parliament to make efforts in the water policy, agriculture, and other sectors in order to achieve progress the way we do in our Constitution. This is to advance our people in their rights and freedom to be masters of the land and all power, the power to make law, judiciary power, administrative power, and government power.

Therefore, you can be happy and satisfied with your destiny from now on. I would like to end here by talking about what royalism is. Royalism is just your shelter. It helps ensure that the government, parliament, the administration, the Army, and police respect you and your rights and freedom, and the universal human rights stated in our new constitution. The king and queen should be busy serving you and not ruling over you. For example, today we are serving you in the social sector.

Great friends from Indonesia and Thailand are kindly helping us. The CPP and H.E. Chairman Chea Sim are also helping. A lot of things have been gathered here: rice, blankets, garments, noodles, books, pens, pencils, sweets, and so on. There are also children's garments. There are a lot of things for poor children in special needy areas. I apologize that there is not enough for everyone. The distribution will be made in accordance with the just selection of H.E. Provincial Governor and H.E. Chief of Bati District.

In other places too, in the social and cultural sectors, religion, and humanitarian sector, for example the handicapped and the elderly; these are the concern of the king and queen who are also involved in the diplomatic field, such as receiving foreigners on behalf of the nation. So, briefly, this is the duty of the king: just to serve as a shelter for you and to serve you in the social, humanitarian, cultural sectors, and so on, and also in the diplomatic sector. This is for your information. Thank you very much.

I end my address here and pray that the power of the Buddhist triple jewel look after the clergy, who is most revered by all of us and the symbol of our national and state religion, Buddhism. May all the children, grandchildren, and great grandchildren, near and far, in Takeo Province and in the entire Kingdom of Cambodia, enjoy peace and happiness and be spared war and fighting. May they enjoy only happiness with independence, freedom, and territorial integrity. May they enjoy the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment.

Thank you very much. [applause]

Government Issues Travel Orders by Officers

BK2909041993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 28 Sep 93

[“Order of Cambodia’s Royal Government” issued in Phnom Penh on 28 September]

[Text] Based on the requirements of the nation's current situation—especially to restore peace, stability, security, and social order—the Cambodian Royal Government issues the following order to high-ranking officers of the Royal Cambodian Armed Forces [RCAF] and high-ranking officers of the Cambodian National Police.

1. All travel inside the country by high-ranking Army and police officers ranking from major to general, whether on a mission or for personal reasons, should absolutely be accompanied by mission orders or travel permits issued by competent ministries or establishments. The ministries concerned—the Ministries of National Defense, Interior, and National Security as well as the RCAF General Staff—should immediately determine the (levels) of establishments that are authorized to issue mission orders or permits for travel inside the country by Army and police officers under their jurisdiction.

2. Missions abroad or participation in a delegation abroad must be accompanied by mission orders from the royal government. Personal travel abroad must also be accompanied by permission from the royal government.

Army or police officers violating this order will be disciplined according to the law.

[Dated] Phnom Penh, 28 September 1993

[Signed] First Prime Minister Prince Kromluong Norodom Ranariddh

Second Prime Minister His Excellency Hun Sen

Indonesia

Intelligence Chief Denies Report of U.S. Spying

BK0110014293 Jakarta Radio Republik Indonesia
Network in Indonesian 0000 GMT 1 Oct 93

[Text] Sudibyo, head of the State Intelligence Coordinating Board, has made it clear that the United States did not conduct intelligence activities in Surabaya and that U.S. congressmen were simply conducting diplomatic activities there. The head of the State Intelligence Coordinating Board made the remarks in the wake of rumors and foreign press reports alleging that the United States had sent intelligence agents to Surabaya to investigate labor cases. Sudibyo also denied that ignorance of the intelligence activities allegedly conducted by the GSP [Generalized System of Preferences] team showed the weakness of the State Intelligence Coordinating Board.

Earlier, Colonel Sutarto, commander of the Bhatara Jaya Area Military Command, aired his suspicions that U.S. congressmen belonging to the GSP team, which collected facts on the extension of duty privileges for Indonesian products entering the United States, simultaneously conducted intelligence activities there.

Official Quotes U.S. Remarks on Labor Market

BK2509092993 Jakarta Radio Republik Indonesia
Network in Indonesian 0700 GMT 25 Sep 93

[Text] The U.S. GSP [Generalized System of Preferences] team has expressed its appreciation for the openness of Indonesia's labor market, which makes it easy to perform their fact-finding mission. Speaking to reporters in Jakarta, (Harida Nuryani), director of Foreign Relations Division of the Trade Department, said the U.S. team will submit their findings to the U.S. Government before a decision is made on whether the U.S. Government will continue or stop the import-duty facility for Indonesian goods entering that country.

He added that the decision to remove the GSP facility depends on the U.S. Government's interpretation of labor conditions in Indonesia. The U.S. Government has threatened to remove the GSP facility because it believes Indonesia has violated labor rights.

Linkage of U.S. Arms Sales to Rights Discussed

BK2909132993 Jakarta THE JAKARTA POST in
English 13 Sep 93 p 4

[Editorial: "Indonesia-U.S. Ties"]

[Text] One might wonder why Indonesia's relationship with the United States is currently so tense in the light of the fact that bilateral ties have been excellent since the late 1960s. Indeed, we have observed with great concern that the ties have become increasingly frayed since the end of the Cold War, with the human rights issue now becoming a major stress point, even though up until the late 1980s it had almost never been a thorn in the side of cooperation.

In July, the Subcommittee of the U.S. Trade Policy Staff Committee warned the Indonesian Government to improve its labor laws and practices, otherwise the country would lose its trade privileges under the Generalized System of Preferences. And almost 10 days before a special fact-finding team of that subcommittee is scheduled to arrive in Jakarta to assess the system of workers' rights protection, the U.S. Senate Foreign Relations Committee voted last week to tie U.S. arms sales to Indonesia to the improvement of human rights performance in East Timor.

We could take the U.S. judgment of our human rights records as an infringement upon our handling of domestic affairs or simply reject it as a violation of our national sovereignty. Nonetheless, whether we like it or not, the fact of the matter is that respect of human rights and democratization have now been recognized as an essential element in international relations. Most developed nations now strongly hold that in the current post-Cold War era, human rights abuses are the biggest threats to international peace and security. The American view was clearly defined by Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord in his recent statement that open societies and democracies

do not use force on each other. They are less likely to be aggressive to their neighbors.

But the issue here is by no means that Indonesia does not respect human rights. In fact, human rights are prominently stipulated in its Constitution and various laws and regulations. The fundamental differences between Indonesia and most other developing countries and the West, notably the U.S., lies not in the basic concept of human rights but in the perceptions of how they should be implemented, within the scale of priorities of the national agenda and of how human rights are treated in relation to the historical background, value system, culture, geography and pace of development.

What has made the human rights issues so very delicate is that they cover the relations between a government and its people and consequently amount to a judgment of the differences between bad and good governance. The reality, though, is that, many governments in developing countries, faced with complex development problems and deeply engrossed in the objective of developing their economies as fast as possible, do not always put full civil liberties high on their priority programs. They are often too preoccupied with maintaining stability which is naturally an essential element in economic development for improving the people's welfare.

Given the complexity and delicacy of the issues, the manner in which the U.S. Government and Congress judge the human rights records of the Indonesian Government is not the most effective way of helping Indonesia improve its human rights protection. The wide publication of any verdict on its performance would hurt the pride and dignity of the Indonesian Government which is now the chairman of the Non-Aligned Movement.

Moreover, we find it difficult to understand why the U.S. Senate continues to allude to human rights issues in East Timor, apparently in reference to the November, 1991, incident that claimed dozens of victims. First of all, the shootings of civilians during the incident could not be seen as a systematic, well-planned killing of innocent people and, therefore, could not be judged as egregious human rights violations. The government has since taken a series of measures to correct the mistake and has dealt firmly with those responsible for the incident.

The Indonesian Government should be commended for not reacting in an emotional manner to the U.S. Senate's latest move. But we still believe that the Senate's action should prompt the government to rethink thoroughly the way it treats basic human rights, not only in East Timor but also in the rest of the country. The government should magnanimously admit that it has not always been adequately transparent on the reasons and the ways it does many things and that this unnecessary shroud of secrecy smacks of the evasion of accountability and makes meaningful dialogs with foreign countries unnecessarily difficult.

Australian Minister, President Suharto Hold Talks

BK2409081293 Melbourne Radio Australia in English 0500 GMT 24 Sep 93

[Text] Australia's Northern Territory chief minister and Indonesia's president have discussed incursions by Indonesian fishing boats into Australia's fishing zone. Marshall Perron and President Suharto held informal talks in Jakarta yesterday. They discussed among other things the breaches of agreements preventing motorized Indonesian fishing boats from working along parts of Australia's northern coast. Mr. Perron says President Suharto recognizes the problem and emphasized that Indonesia was trying to build up its own underdeveloped fishing resources.

Burmese Trade Delegation Arrives for 7-Day Visit

BK2809134893 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 28 Sep 93

[Text] A Myanmar [Burmese] trade delegation led by Trade Minister Tun Kyi arrived in Jakarta this afternoon in a bid to boost bilateral trade relations. During their seven-day stay in Indonesia, the Myanmar delegation will hold talks with several Indonesian officials, including Trade Minister Satrio Budiharjo Yudono.

A press release issued by the Trade Department in Jakarta today said trade relations between the two countries have proceeded smoothly, especially in the past two years. Total trade value between the two countries in 1992 stood at U.S. \$25.2 million.

Warships Dispatched To Track Down Trawlers

BK2809134493 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 28 Sep 93

[Text] Four Indonesian Navy warships have been dispatched to the waters near Aceh to track down foreign trawlers which have been harassing and terrorizing Indonesian fishermen in the area. This was disclosed to reporters by Navy Chief of Staff Vice Admiral Tanto Kuswanto after he addressed participants of national youth carnival in Jakarta this morning. Two of the four warships, namely KRI [Republic of Indonesia Ship] Hasanudin and KRI Maria Martatihuhu, are now conducting routine operations codenamed Sabang Jaya in the waters near Aceh.

Meanwhile, in his address to the youth carnival, the Navy chief of staff stressed the importance of developing the maritime sector for national security and development.

Military To Support Civilian Ruling Party Chief

BK2709123193 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 27 Sep 93

[Text] Indonesian Armed Forces [ABRI] Commander General Feisal Tanjung says ABRI will support a new

Golkar [Functional Group] chief even though he is not from ABRI. Speaking to reporters after taking part in a walkathon to mark the ABRI day in Jakarta today, Gen. Feisal Tanjung said a civilian Golkar chief will pose no problem even though the majority of Golkar members are from ABRI. He also stressed that a civilian Golkar chief is acceptable as long as he is elected from a Golkar congress, adding that the congress should not raise the issue of ABRI-civilian dichotomy.

Pros, Cons of Clove Trading Monopoly Noted

BK2909154993 Jakarta THE JAKARTA POST in English 17 Sep 93 p 4

[Editorial: "Clove Agency To Pay Debts"]

[Text] Bank Indonesia's Governor Sudrajat Jiwandono should feel greatly relieved that the semi-private monopoly, the Clove Stock Management Company (BPPC), will soon repay all of its debts totaling around Rp [Rupiah] 700 billion (US\$333.3 million) to the central bank. Even though the debt amortization is already one year behind schedule, the payment will remove a stone from Sudrajad's shoe.

Given the political clout of the clove monopoly, which is chaired by Tommy Suharto, and in view of its claimed noble mission to help improve the farmers' incomes, BPPC actually could easily reschedule the debt repayment again. Indeed, in so far as BPPC's debts are concerned, Sudrajad, like his predecessor Adrianus Mooy who approved those credits, could not likely do much but simply wait for whenever the monopoly feels it is comfortable to repay those loans.

As did the controversial establishment of the clove monopoly in late 1990, the central bank's approvals of Rp 759 billion in subsidized liquidity credits for BPPC in 1991 caused heated debates among the public. Another wave of grumbling among private-sector economists, House members and many other quarters ensued last year when BPPC admitted it was not able to repay the one-year loans due to difficulties in marketing its stocks and the larger-than-estimated procurement of the spice from farm cooperatives.

Notwithstanding the positive impact of the forthcoming debt repayment on the central bank's monetary management, we should remember that the debt settlement will correct only one of several big mistakes already foreseen for BPPC by many analysts even before the clove trading monopoly was set up.

Greatly discouraging is the bitter fact that the monopoly has not fully achieved its primary objective of improving clove farmers' incomes. As most economists have predicted, BPPC, currently in the third year of its operations, has not succeeded in maintaining the price of the spice at the government-mandated floor level of around Rp 7,000 per kilogram in all producing areas, despite its use of such huge sums of concessional loan funds from the central bank.

It is also questionable as to whether farm cooperatives and the Federation of Primary Cooperatives, Inkud, will be able to take over the clove stock management from BPPC within the next two years, as originally planned, without further huge amounts of loans from the central bank. We are also doubtful as to whether the cooperatives have adequately obtained technical and management training related to all aspects of clove stock management from BPPC because this agency itself was created out of almost nothing in so far as clove trading is concerned.

The next big question is related to the fate and accountability of the Rp 1,000 in equity funds and Rp 1,900 in compulsory savings which have automatically been deducted from whatever amount the farmers get from the sales of each kilogram of their spice. BPPC received those funds, estimated as of early this year at Rp 533 billion, had been spent on around 71,500 tons of clove stocks now held by the Federation of Primary Cooperatives. BPPC said farmers would get back their compulsory savings only after the stocks had been sold to clove cigarette companies, while the equity funds would remain as the farmers' shares in the cooperatives.

The farmers may eventually be able to withdraw their compulsory savings within the next few years after the federation has sold all its stocks. But this probably will not happen until BPPC has disposed of all its own stocks. We are afraid, though, that the clove farmers' equity funds will remain unaccounted for. Similar funds have also been collected from sugar cane growers in Java over the last few years and were supposed to become their shares in new sugar mills. But up to now the growers do not know how those funds (Rp 1,000 per kilogram of sugar) have been used and which sugar mills have been built with the money.

Most economists had predicted as early as 1990 that BPPC was doomed to fail because it was assigned to do something which ran counter to market forces and to carry out a mission which is not only irrelevant for a private institution, but which even most international commodity pacts have failed to accomplish. We think, as the government's economic reform measures have shown since the mid-1980s, the best solution to the clove problem is letting the market signals, rather than a monopoly, guide the farmers. After all, cloves are nowhere near as essential as rice or sugar.

Laos

Further Reportage on National Assembly Session

Second Day Proceedings

BK2909105193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Sep 93

[Text] Today was the second day of the second ordinary session of the Third National Assembly. In today's session, delegates of the National Assembly from various

provinces continued to take turns in delivering speeches reporting the achievements recorded in implementing the socioeconomic development plan for 1992-93. They also discussed the direction and tasks of the 1993-94 socioeconomic development plan as presented by Khamphoui Keoboulapha, deputy prime minister and chairman of the Planning and Cooperation Committee. In their speeches, the delegates from the various provinces mostly reported the general situation about the implementation of the development plan in their respective provinces, pointed to negative phenomena, and brought to the attention of the National Assembly for consideration problems facing the people in their provinces.

Delivering the speeches on the second day of the second ordinary session of the National Assembly on 28 September were Mrs. Keosavang Sitthivong, National Assembly member from Oudomsai Province; Loumkham Vongsai, National Assembly member from Vientiane Province; Paseut Sisanon, National Assembly member from Saravane Province; La Singdala, National Assembly member from Xieng Khouang Province; Afou Laoli, National Assembly member from Phong Saly Province; Colonel Vilai Soupalin, National Assembly member from Bokeo Province; Vongphet Saikueuyachongtoua, vice chairman of the National Assembly; Boun-ngong Sailichan, National Assembly member from Houa Phan Province; Mrs. Vanthong Phommali, National Assembly member from Luang Prabang Province; Khamphong Phanvongsa, National Assembly member from Savannakhet Province; Khamkeo Singmisai, National Assembly member from Luang Namtha Province; Sombat Yialiheu, National Assembly member from the Sianghon-Hongsa special zone; Khen Phalivong, National Assembly member from Khammouane Province; Sithat Inthavong, National Assembly member from Attapeu Province; Bounthan Souvannasouk, National Assembly member from Sayaboury Province; Khampan Philavong, National Assembly member from Luang Namtha Province; and members of the National Assembly from some other provinces.

Third Day of Session Held 29 Sep

BK2910104493 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Sep 93

[Excerpt] The Third National Assembly continued its second ordinary session for the third day today. In today's session, delegates will further deliver speeches giving views on the implementation of the economic, cultural, and social development plans for 1992-93 and the direction for the socioeconomic development plan for 1993-94 as presented by Khamphoui Keoboulapha, deputy prime minister and chairman of the Planning and Cooperation Committee. Afterward, the delegates to the session will hear a report on activities of the People's Supreme Court Organization in carrying out their duties to be presented by Ket Kiattisak, chairman of the People's Supreme Court. They will also hear a report on activities of the Public Prosecution Organization in

performing its duties to be presented by Phai Oula, director of the People's Judiciary Institute. [passage omitted]

Further on Third Day of Meeting

BK3009083593 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Sep 93

[Text] The second ordinary session of the third National Assembly continued for the third day today. Representatives from various provinces expressed their views and commented on reports on the outcome of the implementation of the 1992-93 state budget plan and the implementation of the 1993-94 state budget plan.

In giving their views, each National Assembly member pointed to the achievements and victories recorded in the past period, the lessons drawn, and the weakpoints and problems remaining to be solved and corrected.

Those who made comments on the third day meeting were Sing Sai-gnabouasi, representative of Savannakhet Province; Bounthong Chitmani, representative of Bokeo Province; Tongyeutho, representative of Houa Phan Province; Sisouk Sisombat, representative of Champassak Province; Thong Labliya, representative of Sayaboury Province; Boun-gnang Vongphachan, representative of Luang Prabang Province; Simmali Phanthamalai, representative of Vientiane Province; Bouasi Lovansai, representative of Bolikhamsai Province; and Phosai Sihachak, representative of Saravane Province.

In the afternoon, representatives attending the meeting heard reports on the performances of the Supreme People's Court presented by Ket Kiattisak, chairman of the Supreme People's Court, and of the People's Judiciary Institute presented by Phai Oula, chairman of the People's Judiciary Institute.

After that, Kambou Sounisai, vice chairman of the National Assembly, representing the Commission on Legal Affairs, elaborated on the implementation of the constitution and laws.

First Educational Community Service Center Opens

BK2809122393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Sep 93

[Text] The first educational community service center in the Lao People's Democratic Republic, which is situated in Ban Na Nokkhoum, Phak Hom canton, Thoulakhom District, Vientiane Province, was inaugurated on 24 September.

The inauguration ceremony was attended by representatives of the Ministry of Education, the education service of Vientiane Province, local administrative authorities, and people in the locality.

This center is a new piece of nonformal educational work produced by the Nonformal Education Department of

the Education Ministry. The project is financially supported by the UNESCO with a fund of U.S. \$3,500, while local labor in the village helped build the place.

The major goal in setting up the center is to educate and train technical cadres at every level to be able to organize, manage, inspect, and evaluate works in various fields. It is also an experimental project aimed at developing the community to be able to manage things and solve problems by themselves by depending mainly on resources available in the community.

The center will also be used as a place for publicizing various news and information, such as in the fields of agriculture, public health, handicraft, and technology, so that the people will be more knowledgeable. Moreover, the place will also be used for holding meetings of local people and mass organizations, and organizing technical training in various fields. If proved successful, this project will be expanded to many areas throughout the country.

China Radio, Film, TV Delegation Arrives for Talks

BK2809052493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 27 Sep 93

[Text] A delegation of the Information and Culture Ministry of the Lao People's Democratic Republic [LPDR] and a delegation of the Radio, Film, and Television Ministry of the PRC held talks in Vientiane on the morning of 27 September. The Lao delegation was headed by Bounteng Vongsai, deputy minister of information and culture, and the Chinese side was headed by Tian Congming, deputy minister of radio, film, and television. The talks were attended by technicians from both sides.

In the talks, the two sides discussed cooperation for joint business investment to produce films and videotapes. They also discussed the cooperation in organizing a week of Chinese films, exchanging radio and television programs, and making propaganda through mass media as well as the exchange of radio and television technicians.

The delegation of the PRC Radio, Film, and Television Ministry arrived in Vientiane on the afternoon of 26 September for a one-week visit to the LPDR.

President Receives Outgoing Thai Ambassador

BK2809043193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Sep 93

[Text] Yesterday, Nouthak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], received, at the Presidential Office in Vientiane, a courtesy call from Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to the LPDR, who took leave of the president after the completion of his tenure. On this occasion, President Nouthak Phoumsavan praised and hailed the success of the outgoing Thai ambassador in the performance of his

diplomatic tasks. He said the success has explicitly contributed to the increasing development of relations and cooperation between the two countries during the nearly-four-year diplomatic term of Nikhom Tantemsap.

The two also exchanged views on the future relations, in particular the use of the Lao-Thai friendship bridge, whose construction is nearly completed, to serve the purposes and interests of the two peoples of Laos and Thailand. In this regard, they expressed the hope certain remaining problems on which both sides maintain different views will be settled in an appropriate time so that the bridge can be utilized in accordance as schedule.

Four Russian Planes Given to Airways Company

BK2809074893 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 28 Sep 93

[Text] A ceremony was held at Wattai Airport Hotel in Vientiane on the afternoon of 24 September between the Lao Airways Company and the (Mingko Aerosput Company) of Russia to mark the signing of a memorandum on the handover of four AN-2 planes to the Lao company. Signing the document for the Lao side was Lieutenant Colonel Chanpheng Koulavong, director of the Lao Airways Company, while (Anatoliy Arkinov), representative of the (Mingko Aerosput Company), signed for the Russian side. The signing ceremony was held in the presence of Colonel Somphet Thitmala, chief of the Army General Logistics Department. It was attended by a number of high-ranking technical cadres.

The Lao Airways Company purchased the four aircraft from the Russian company at the total cost of U.S. \$540,000. The four aircraft will be put to use to serve passengers travelling from the center to various provinces in all regions throughout the country.

Thailand

'No Evidence' for U.S. Claims on Workers in Libya

BK0110025393 Bangkok THE NATION in English 1 Oct 93 p 2

[Text] THE United States has stopped pressuring the government to pull Thai workers out of Libya, where Washington claimed they were working in chemical weapons factories, according to a government source. The source said the U.S. has produced no evidence to back its claims that about 200 Thais were working in chemical weapons factories.

Libya is subject to United Nations sanctions on arms, aviation and diplomacy imposed at the request of the U.S., which is demanding Tripoli hand over two men alleged to have masterminded the bombing of a fully-laden Pan Am 747 passenger plane over Lockerbie, Scotland, in 1988.

U.S. diplomats have several times tried to influence senior officials, including Interior Minister Chawalit Yongchaiyut, to withdraw Thais allegedly working in the chemical factories. The government had not responded for fear that Tripoli would hold other Thai workers hostage, and that it could affect future Thai-Libyan relations, the source said. The source said the government had no means of investigating the U.S. claim and the U.S. had produced no evidence.

The UN is expected to impose additional sanctions on Libya soon, extending the bans to include petroleum products and financial dealings. This could affect the employment of Thais and other foreign workers. About 95 per cent of Libya's income is generated by petroleum products and the government may be forced to stop construction projects.

An estimated 25,000 Thais work in Libya, mostly on construction sites, the second largest group of foreign nationals.

Egypt tops the list with about 1 million, followed by Thailand, Poland (about 2,000) and Vietnam (1,000).

Foreign Ministry spokesman Sakthip Krairoek said yesterday an evacuation plan had been prepared for Thai nationals in Libya in the event the U.S. decides to launch an air strike.

The Thai embassy in Rome had received confirmation of assistance from the Italian and Maltese embassies in Tripoli should hostilities breakout. However, the foreign ministries of England and France had given assurances that neither they nor the U.S. were planning violent action against Libya.

Ministers Discuss Liberalizing Insurance Business

BK2909140793 Bangkok Voice of Free Asia in Thai 1030 GMT 29 Sep 93

[Text] Deputy Commerce Minister Churin Laksanawisit, discussing the issue of service trade liberalization at the Uruguay Round of the GATT negotiations, said that the director general of the Intellectual Property Rights Department, Lieutenant Suchai Chaowisit, has been assigned to report to GATT about Thailand's policy of allowing foreigners to operate 40 categories of businesses in Thailand. He said this is in keeping with Revolutionary Party announcement Number 281.

Commerce Minister Uthai Phimchaichon, meanwhile, said that Thailand must be careful about liberalizing the insurance business. As a principle, the Commerce Ministry wants to see an expansion and more competition in this category of business. In any case, there are certain legal limitations in Thailand. If Thailand does not open up the trade, it risks being accused by GATT member countries. On the other hand, if Thailand follows GATT's appeal and opens up the trade, it risks creating trouble for the insurance business in Thailand which still cannot compete with foreign insurance companies.

Chuan Accepts Invitation To Attend APEC Session

BK3009011593 Bangkok BANGKOK POST in English 30 Sep 93 p 1

[Text] Prime Minister Chuan Likphai has accepted American President Bill Clinton's invitation to attend the Asia-Pacific Economic Cooperation [APEC] meeting in the United States in November. Prime Minister's Secretary-General Tawat Wichaidit said the visit would follow Mr Chuan's trip to New York between October 2 and 11 to address the United Nations' General Assembly. The Prime Minister, during the November visit, was expected to meet the UN secretary-general and the Vietnamese prime minister among other VIPs, Mr Tawat said.

Chinnawat, AsiaSat Settle Dispute Over Orbits

BK3009015193 Bangkok BANGKOK POST in English 30 Sep 93 pp 19, 28

[Text] Months of wrangling between Thailand's Chinnawat Satellite Public Co and Hong Kong's Asia Satellite Telecommunications Co (AsiaSat) have ended with Chinnawat agreeing to shift the orbital position of its planned Thaicom1 satellite.

In return, AsiaSat has agreed to yield its priority claim over another orbital position which will now be used for both the planned Thaicom satellites, an offer that was already on the table in July.

AsiaSat executives yesterday carefully avoided any suggestion that Chinnawat had been forced to back down.

"We've gone through the process (of negotiation), we've obeyed the rules and we've come up with an agreement that benefits both companies," said Roger Clark, AsiaSat's deputy chief executive officer, speaking from Hong Kong.

AsiaSat's new chief executive, Peter Jackson, said in a statement: "This is a major step forward in achieving levels of cooperation and understanding between the two companies, and also clears the way for us to move forward with our major expansion plans and to provide a more efficient service to our customers."

Chinnawat executives said the shift from 101 degrees east—approximately above Sumatra and directly south of Thailand—to 78.5E—above the Indian Ocean, south of Sri Lanka—would have little impact on their plans.

The "footprint" area on the ground that would be able to receive Thaicom1 signals would be the same, and only minimal cost adjustments would be needed, they said. They even suggested that the signal slanting down towards Thailand would be stronger.

They were unable to explain why, if that was the case, the dispute had been so bitter and taken so long to resolve. Chinnawat Satellite's president Somprasong Bunyachai said at a joint press conference yesterday that agreement

was reached to ensure the launch of Thaicom1 into position on schedule and to assure that the satellite business would not be interrupted.

Like Mr Jackson, he is also a recent appointment, and some observers speculated that new leadership at both companies might have allowed a resolution without too much loss of face.

Under the deal, AsiaSat will now be able to put its second satellite as originally intended in the 100.513 slot. Chinnawat has agreed not to do anything that will cause interference with AsiaSat2's communications signals. Under present technology this effectively rules out putting Thaicom satellites at 101E.

Instead, both of Chinnawat's planned satellites, Thaicom1 and Thaicom2, can use the 78.5E slot. AsiaSat has agreed to relinquish its prior claim to 77.5E, which would have interfered with Thaicom.

Mr Somprasong said yesterday that having both Thaicom satellites at what would appear to be the same 78.5-E location would not cause interference problems because in fact the description covers a wide area. The two spacecraft would be located 700 kilometres apart at the edges of the allotted slot.

Thaicom1, Thailand's first commercial satellite, was originally scheduled to be launched into orbit on December 4 from French Guiana by the French Ariane 4 rocket, although recent reports suggest the launch could be delayed. AsiaSat2's scheduled launch is in early 1995.

The agreement was reached between the Hong Kong Office of the Telecommunications Authority, the Thai Post and Telegraph Department, AsiaSat, and Chinnawat Satellite.

A joint press conference was held at the Post and Telegraph Department yesterday with executives of both companies and officials of both governments present.

Mr Somprasong said: "We are pleased that the two administrations have reached an agreement that resolves any potential interference problem between AsiaSat and Thaicom. This will assure our customers that they will receive highest quality service possible."

The resolution "shows there is nothing wrong with the process," Mr Clark said.

All along, AsiaSat has claimed it has priority rights over the 100.5E slot because it was the first to file an application with the Radiocommunication Bureau, the international body handling allocations.

AsiaSat was also the first to claim the 77.5E position, a claim it has now relinquished to Chinnawat.

Mr Somprasong also said that Chinnawat agreed to the relocation because it did not want to have problems with its second and other satellites which it would launch in the future.

"Although from the ground they will appear to be at the same position they will be far apart from one another," he said.

Therefore, he said, both satellites would be like one satellite but with 24 transponders which would be a backup of one another.

He said people would be able to receive signals from both satellites at the same time without having to adjust their dishes.

This meant that one satellite disk could receive 30 television channels, or operate 24 transponders for telecommunications services to business at the same time.

Thaicom1's footprint covers Thailand, all of Indochina, Korea, Japan and part of China.

Mr Jackson said although Chinnawat Satellite was a major competitor the agreement was a good sign for future cooperation.

AsiaSat's regional manager, Sabrina Cubbon, said almost all of AsiaSat2's transponders have been booked.

Army Spokesman Denies Support for Khmer Rouge

BK2909141393 Bangkok Army Television Channel 5 in Thai 1200 GMT 29 Sep 93

[Text] The Army has rejected allegations about the Thai military's support for the Khmer Rouge. Army Spokesman Colonel Phalangkun Klahan clarified the press report citing Craig Eicheson, director of a private anti-Khmer Rouge organization, and Cambodian Prime Minister Hun Sen as criticizing Thai soldiers for supporting the Khmer Rouge, appealing for the end to such support, and asserting that Thailand is unreliable in the eyes of the world community. He said the Army wishes to affirm that it has not supported the Khmer Rouge in any way. It has complied with the UN resolutions to bring peace to Cambodia.

[Begin Phalangkun recording in progress] ...support another faction. The Army wishes to assure that it wants to see reconciliation, love, and unity in Cambodia, which will bring genuine peace. The Army complies with the Thai Government's policy and the UN resolutions. Basically, we have to preserve national sovereignty and national interests. [end recording]

Article Views Return of Air Rights to Vietnam

BK2909013593 Bangkok BANGKOK POST in English 29 Sep 93 p 24

[By Suphaphon Kanwirayothin in Hanoi]

[Text] Thailand will have to return to Hanoi the lucrative flight information region (FIR) rights over southern Vietnam that it has held since 1975 by the end of this year, Thai and Vietnamese officials say.

Vietnam has invested up to US\$50 million to modernise its two major airports, Noi Bai in Hanoi and Tan Son Nhat in Ho Chi Minh City so it is now technically qualified to take over the rights to south Vietnamese skies from Thailand and Singapore, a senior Vietnamese official said.

Hanoi anticipates that its case will be endorsed by the International Civil Aviation Organisation's [ICAO] council which will meet before the end of this year, said Dao Manh Nhuong, deputy director general of Vietnam's Civil Aviation Administration.

Following the fall of Saigon in 1975 the ICAO relegated the rights then held by South Vietnam, currently known as the Ho Chi Minh FIR, to Thailand, Singapore and Hong Kong. FIR boundaries cover land and territorial waters of a state which offers air traffic services including information for navigation, meteorology, emergency landings, rescues and investigations in case of accidents.

While Singapore controlled a relatively smaller portion of the rights and seemed more willing to return them to Hanoi, Thailand had delayed its response to Vietnam's persistent requests.

The Thai Foreign Ministry wanted to return its portion of the rights as a gesture of confidence-building, but Aeronautical Radio of Thailand was reluctant to lose the income from providing services to aircraft flying over the region.

While Vietnam declined to reveal its rate for FIR services for aircraft using its skies, it has been reported that each call from an aircraft to Aeronautical Radio of Thailand costs US\$500.

Vietnam projects a 10-15 percent annual increase annually in air traffic over its territory, Mr Nhuong told BUSINESS POST.

At present, some 100 flights a day use the AI route over north and central Vietnam, whereas up to 150 flights a day pass through the Ho Chi Minh FIR whose rights are held by Thailand and Singapore.

In Bangkok, Transport and Communications Deputy Permanent Secretary Sisuk Chantharangsu said that Vietnam should have its personnel and equipment up to standard before taking over the rights.

While the Noi Bai airport in Hanoi relies on Soviet-made radar, the Vietnamese government has installed radar equipment from France's Thomson at airports in Ho Chi Minh City, Danang and Qui Nhon, said Mr Nhuong.

The upgrading of civil aviation safety standards in both Hanoi and Ho Chi Minh City's airports has been conducted with advice and supervision from the ICAO.

Mr Nhuong said the ICAO's involvement effectively means that its equipment and procedures are recognised as being, up to international standards.

Thailand—repeatedly ignoring Vietnam's requests in the last few years—is unlikely to hold out on the rights beyond the end of this year as Vietnam is pushing its case hard with the ICAO, Thai and Vietnamese sources agreed.

The third regional air navigation meeting in Bangkok earlier this year concluded that the "constituency arrangements" that brought about Thailand, Singapore and Hong Kong's control over southern Vietnam's rights would be abolished, and the rights controlled by Thailand and Singapore would revert to Vietnam, said Mr Nhuong.

Similar efforts to recover the section controlled by Hong Kong could prove insoluble as it includes the Paracels, a chain of atolls at the heart of territorial disputes between Vietnam and China.

"China sees this not as an FIR but as a territorial issue," said Mr Nhuong. He said the return of the rights would augur well for future cooperation between Thailand and Vietnam.

"Thailand will not be losing, but instead would benefit much more through cooperation such as opening new routes over Vietnam's territories toward major destinations such as Hong Kong, Taipei and Tokyo, by saving about 15-20 minutes of travelling distance for each flight," he said. After the ICAO endorses the return of Ho Chi Minh FIR rights to Vietnam, it will take up to a year to finish the necessary procedures for the transfer, he added.

Mon Refugees Object to Relocation in Burma

BK2909011593 Bangkok BANGKOK POST in English 29 Sep 93 p 6

[Text] Kanchanaburi—More than 1,000 ethnic Mon refugees are likely to be pushed back across the border into Burma today an informed refugee source revealed yesterday.

The source said that the deadline was set at a meeting held on September 17 at Sangkhla Buri District office between the leader of the Mon National Relief Committee [MNRC] Nai Tin Aung, and Thai authorities led by an army colonel from the Kanchanaburi-based 9th Division. The first batch of refugees from Loh Loe jungle camp are set to be moved out today. The remainder will be sent back in January, the source said. The resettlement site is about 35 kilometres north of the present Loh Loe camp and close to the field command of the 62nd Battalion of the Burmese Army, the source said.

Nai Tin Aung of the MNRC told the BANGKOK POST yesterday that he objected to the relocation, saying it was

not in accordance with the agreement reached on February 16. The agreement states clearly that Mon refugees are allowed to stay on Thai soil until the situation in Burma improves he said.

"I know very well that as soon as we are on Burmese soil our lives will be in danger," he said. He said the refugees might choose to defy Thai authorities by refusing to move out.

Nai Tin Aung said the resettlement site, known as Halockhani, is less than five kilometres from the Burmese army camp. He said he objected to the being relocated now because the rainy season will make it very difficult for the refugees to contact Loh Loe camp. He said his men had been relocated three times in the past three years and they did not complain much because all the relocation sites were in Thailand.

"But this time we will be sent back across the border," he noted. The Mon leader said he wanted the relocation plan to be postponed until after the rainy season.

House Approves Copyright Law in First Reading

BK3009144593 Bangkok Army Television Channel 5 in Thai 1200 GMT 30 Sep 93

[Text] The House of Representatives today approved in principle the Copyright Bill in the first reading. Chaos erupted during the meeting when opposition parties disagreed with the government on taking up the bill for consideration today in continuation from yesterday.

The House meeting began at about 1400 when Marut Bunnak, chairman of the meeting, sought opinions from members of parliament about whether or not to continue debating the Copyright Bill, which was left over from yesterday's meeting. Most opposition MP's did not want to continue debating the bill today because there is an agreement that the House of Representatives will deliberate draft bills on Wednesday and have motions on Thursday. They said that there is no need to rush consideration of the bill because the prime minister has clearly stated that passing the bill has nothing to do with his upcoming visit to the United States.

Government and opposition MP's continued the debate, accusing each other, resulting in more chaos. Commerce Minister Uthai Phimchaichon took the floor to explain the importance of the bill for the country. He said that the government never wants to be a slave to any foreign country, as the opposition has accused.

At 1500, Marut asked the meeting to vote for the draft bill in the first reading. The bill passed with 183 votes in favor, and 106 against. The opposition was dissatisfied and accused the chairman of being too hasty. Some of them then staged a walk out from the meeting.

Leaders Defend Proposed Changes

BK3009012193 Bangkok BANGKOK POST in English 30 Sep 93 p 3

[Text] Government leaders yesterday defended proposed amendments to the Copyright Act against charges they would place Thailand and its computer industry at a disadvantage if passed by Parliament.

The bill yesterday came under attack during its first reading before the session ended abruptly due to the lack of a quorum after the Opposition stayed away from the chamber.

Opposition MPs accused the Government of trying to push through the bill to please the United States before Prime Minister Chuan Likphai leaves for that country on Saturday.

The proposed amendments would expand protection to cover computer software and performers' rights.

The Government's readiness to push through the amendments is seen as partially responsible for Thailand being able to avoid immediate trade sanctions by the US under Section 301 of its trade law.

Deputy Prime Minister Suphachai Phanitchaphak told the House Thais as well as foreigners would benefit from the protection given by the draft bill.

The bill would grant Thai copyrights the same protection in other countries which have co-signed the Berne Convention.

He said the US was not the only country calling for amendments to the copyright law. There have also been complaints from the European Community and international bodies on copyright protection.

Mr Suphachai said Thailand would enjoy a windfall from taking part in GATT negotiations through amending its copyright laws in line with the GATT agreement or Trade-Related Intellectual Property.

GATT negotiations on the rice trade will result in more access to the Japanese market and the country's other farm products will also find more open markets, he said.

Opposition members said the Government chose to keep the temporary benefits of Generalised System of Preferences (GSP) on exports to the US at the cost of long term benefits from domestic computer software development.

Chat Phatthana MP Wannarat Channukun cited an estimate by Chulalongkorn University's Law Faculty research centre that inclusion of computer software under the copyright law would cost the country as much as 60,000 million baht.

The protection period—lasting 50 years after the creator's death—was too long for the country to benefit from the transfer of technology, he said.

Commerce Minister Uthai Phimchaichon said Thailand now had the potential to develop computer software technology.

He said the amendments to the copyright law would attract foreign and Thai investors and inventors to the country and would provide greater opportunities for the transfer of technology.

Muan Chon Party leader Chaloeam Yubamrung claimed the involvement of representatives of certain computer companies on the subcommittee drafting the bill's section on computer software was a "corrupt conspiracy".

He said the proposed legislation would benefit certain groups at the cost of consumers, adding IBM and Betagro were represented on the sub-committee.

Mr Uthai denied the allegation however saying the amendments were drafted by computer software experts, scientists, lawyers and business representatives for the common interest of the public.

Several opposition MPs claimed key members of the Democrat Party, namely Deputy Prime Minister Banyat Banthaththan and Deputy Foreign Minister Surin Phitsuwon, had reversed their previous stance on the Copyright Bill.

They said the Democrats were strongly opposed to a similar bill in 1988.

The Democrats responded by saying they only supported the bill after changes were made by an extraordinary committee in accordance with their original demand.

House 'Verbal Battleground'

BK0110122593 Bangkok THE NATION in English 1 Oct 93 p 1

[Text] THE opposition turned the House into a verbal battleground yesterday, clashing head-on with the Chuan government but failing to block the passage of the Copyrights Bill in its first reading.

The opposition MPs vented their fury on House Speaker Marut Bunnak, accusing him of siding with the government.

All six opposition parties, displaying rare solidarity, abstained from voting on the legislation and boycotted a House committee set up to scrutinize it.

The Copyrights Bill, which opposition politicians charge will subjugate Thailand to the United States because of its coverage of intellectual property, was passed unanimously after a one-hour debate. The opposition's attack centred not on the contents of the bill, but on the propriety of the vote.

Frustrated opposition MPs blasted Speaker Marut for allowing the bill to be taken up despite an earlier agreement that Thursday House meetings were for motions and not legislation.

Marut, a deputy leader of the Democrat Party, outmanoeuvred the opposition by forcing a vote on the bill at the proposal of government MPs. The opposition had successfully thwarted a vote on the bill on Wednesday with a mass walkout to deprive the House of its quorum.

"It is a shame that the House speaker allowed himself to be a tool for the government," declared Samak Sunthorawet, leader of the Prachakon Thai Party, after a hastily-arranged meeting of key opposition leaders following the vote.

The opposition leaders agreed to send Marut a note of protest for what they see as his bias in handling the session.

Government MPs yesterday hailed the passage of the Copyrights Bill but expressed regret that opposition MPs boycotted the House committee to scrutinize it. Thirty-one government MPs were appointed to the House committee which was given 15 days to study the bill before returning it to the House for the second reading.

"This is something unprecedented—a House committee without opposition representation," Deputy House Speaker Thawin Phraison told The Nation.

Thawin said yesterday's incident was likely to worsen relations between the government and the opposition.

Marut began the session yesterday by asking the House to decide whether it wanted the Copyrights Bill to be put to a vote. Several opposition MPs rose in protest, saying that Thursdays were reserved for debate on motions.

"We should keep the tradition and not be influenced by the government's wishes," said Pancha Kesonthong (Phetchabun-Chat Pattana).

Prathuang Vichanpricha (Sing Buri-Chat Thai) argued that the House should not be subject to the control of the executive branch simply because Prime Minister Chuan wanted to go to the United States and tell the Clinton administration that the Copyrights Bill had gone through.

Chuan denied that the debate on the bill was connected to this trip beginning tomorrow, prompting Newin Chitchob (Buriram-Chat Thai) to question the urgency of the bill. "If the bill has nothing to do with the prime minister's U.S. trip, why are we in a hurry to vote on it," he asked.

Other opposition MPs joined the debate, accusing House Speaker Marut of lacking neutrality for suggesting that the bill be voted on.

But Marut argued that he was authorized to call a vote under House regulations, provided a majority of MPs gave their endorsement.

The heated exchange of words intensified with Prachakorn Thai's Samak accusing the government of treating the issue as a political game which it had to win.

"The prime minister should teach the government whips some manners. They should not be too arrogant," Samak said, referring to the decision by the whips to have the bill taken up by Marut yesterday.

A provocative Chaloei Yubamrung of the Muanchon Party charged that "Chuan's protectors"—young Democrats who often come to the prime minister's defence in the House—were lording it over the House speaker. His remarks drew strong response from government MPs.

Marut cut short the debate and asked the House to decide whether it wanted to vote on the Copyrights Bill. The vote was 183-106 in favour, but angry opposition MPs claimed a discrepancy and demanded a re-count.

The House speaker ignored the request and went ahead with a vote on the bill despite protest by several opposition MPs who were on their feet. A small commotion ensued as opposition MPs tried to disrupt the voting process.

In protest, the opposition MPs abstained by refusing to raise their hands when Marut asked whether there was any opposition to the bill. They abstained again when Marut asked those opposed to the bill to stand up.

Marut then declared that the Copyrights Bill was passed in the first reading with a unanimous vote.

Commerce Minister Uthai Phimchaichon proposed that a 31-member House committee be set up to scrutinise the bill. All six opposition parties, however, boycotted the committee, claiming they were not prepared to make any nominations yesterday.

"Chat Pattana Party is against the bill. Therefore, we are not nominating anyone to the committee," said party leader Gen Chatchai Chunhawan.

There was booing and an outburst of angry words from the opposition bloc when the government parties—Democrat, New Aspiration and Palang Tham—began nominating their people to fill the vacancies forfeited by the opposition in the committee.

Opposition party leaders immediately went into a huddle after the vote and agreed to send House Speaker Marut a note of protest.

"It is clear that the House speaker works under the government," said Pol Gen Praman Adireksan, leader of Chat Thai Party.

The government, which controls 193 MPs, has a slim majority in the House and expects the bill to become law despite objection from the opposition. The main point of contention is the bill's coverage of computer software which one opposition leader said would make Thailand "a slave to American technology".

Prime Minister Chuan Likphai said afterwards he was not concerned about confrontation between the government and the opposition now that government MPs had been asked to attend House meetings in full force.

Asked about the opposition's allegation that the government had been uncompromising on the Copyrights Bill, Chuan said: "This was not a matter for compromise. The government only wanted to get the long-delayed legislation past the House of Representatives."

Air Force Chief Warns Military To Avoid Politics

BK3009005793 Bangkok THE NATION in English 30 Sep 93 p A3

[Text] Air Force Commander-in-Chief ACM [Air Chief Marshal] Kan Phimanthip yesterday advised the military to remain united and abstain from intervention in politics to win back the public's confidence.

"The military's worst fault in the past was its interference in politics, which led to various troubles. But now that we have proven our grounds of noninterference, we will in time regain the support and confidence of the people," Kan said. He was addressing a parade of Royal Thai Navy fleet officers at a ceremony to honour retiring Navy Commander-in-Chief Adm [Admiral] Wichet Karunyawarit and other officers at Sattahip Royal Navy base.

He called upon the military to uphold democracy, guard national security and give full support to the government. "The military desires a stable government so that it may function effectively to serve the country," he said. The military will concentrate on its duties and support the government, he said. In turn, he said, the government should show utmost sincerity in its duty.

He said it was difficult to judge whether the performance of the Chuan government was satisfactory or not. "The fact is that initiatives taken by the Chuan government which may seem unclear at this point will probably take some time to become significant—just like former prime minister Prem Tinsulanon's administration, whose works showed up in later times," he said. He said the coalition government should foster unity in order to remain in power to serve the people.

Kan was made an honorary admiral at the ceremony for Wichet, which was also attended by Royal Thai Fleet Commander-in-Chief Adm Santiphap Muming. All three men were military academy classmates. Kan said that the Air Force and the Navy have embarked on major modernization programmes and with new technologies will be able to support each other. The Navy will soon receive high-tech aircraft similar to those used by the Air Force, he said.

Cabinet Approves Requirements for Consultants

*BK2909014393 Bangkok BANGKOK POST in English
29 Sep 93 p 24*

[Text] The Cabinet yesterday approved a Finance Ministry proposal defining qualifications of private consultants for state projects which each have an investment cost higher than 5,000 million baht.

The ministry proposed that the setting of qualifications of consultancies would be a standard for all state agencies to follow and the selection of the consultancy firm for each project would be on the same basis and direction.

The qualifications of each private consultant would be

- It may be a limited company or a limited partnership or a consortium, but it must not relate, directly or indirectly, to the firms taking part or undertaking the project.
- It must be an independent enterprise which is able to work independently to benefit the Government and project's owner agency.
- It must have at least three-year experience and is knowledgeable in the various fields included in the project.
- In case it is a foreign firm, it must have at least 50 percent of its work undertaken by Thai staff.

The Cabinet also approved another Finance Minister proposal to, set details required in bidding documents for the projects to be privatised.

The details required include:

- Terms of reference including background, objectives, scope of works and project period.
- Qualifications of firms to take part in the bidding.
- Date and venue to obtain bidding envelopes.
- Price of bidding documents.

Proposals by bidding participants in their bid documents must contain at least the following details:

- Detailed description of the project.
- Qualifications of the firms taking part in the bidding.
- Required experience of the firm taking part in the bidding.
- In case of a company newly established company, the shareholders of the company must guarantee the new company's performance.
- Minimum required conditions concerning benefits, operation plans, project period, tax, guarantee, force majeure and currencies.
- Proposals for the project such as business plan, financial projection, financial details, return from the investment and sources of funds.

The selection of the winner must be based on the conformity of the bid, credibility of the bid and benefit to the Government.

Prime Minister's Stance on Dams, Forests Decried

*BK2909010793 Bangkok BANGKOK POST in English
29 Sep 93 p 4*

[Editorial: "The Vicious Circle of Dams and Death"]

[Text] Dedicated forestry officials and conservationists have been dealt a double blow. The first setback came when forest ranger Ritthirong Chaisiri was shot dead at Phuphan mountain range in Kalasin province on September 19 while attempting to apprehend a group of poachers. The second blow to the cause of environmental protection came from a totally different quarter last week. It happened when Prime Minister Chuan Likhai indicated his support for the building of the controversial Kaeng Sua Ten dam in Phrae Province.

Mr Ritthirong will go down in history as just one of a long list of forest rangers who fell victim to the seemingly insatiable greed of forest poachers and their monied backers who have no respect for the law, scruples or any concern over the adverse environmental impact resulting from forest destruction. Like many others before him, Mr Ritthirong's death will have no impact on the Forestry Department which must carry on its unenviable task of protecting the country's fast-dwindling forests. This latest tragedy also reflects the high risk involved in the job of forest rangers. It has also brought to light the long overdue problems which were addressed time and again but have not been resolved, namely the chronic shortage of manpower and equipment.

What makes the case of Mr Ritthirong even sadder is that he might have survived had a helicopter been flown to pick him up from the site of the clash and fly him to the nearest hospital instead of having to be carried out of the jungle on foot and then driven another 20 kilometres in a pickup truck to reach the medical facilities. And on various occasions during confrontations with the poachers, forest rangers were not only outnumbered, but also outgunned. Most are equipped with shotguns while some of the poachers are armed with more powerful AK47 or M16 assault rifles. One does not need to be a military expert to imagine just how desperate such a situation is.

It is ironic that while a lot of promotion has been geared towards tree planting in urban areas and degraded forests, little attention has been paid to the protection of the remaining wooded land. Forest rangers remain—as they always have—undermanned and underequipped despite their essential role in protecting the forest. A task they have to perform in a prevailing political climate which gives a higher priority to building more dams to store water than to conserving the remaining forest to act as natural sponges to absorb water.

Blind support for dam construction as the only viable solution to water scarcity is typical of the narrow-minded thinking that refuses to take into consideration

the ecological impact to be realised from the construction and suffering of the local people who have to be evacuated from their homeland. Dam proponents also tend to overlook the disadvantages caused by a dam and refuse to learn from past mistakes. Several dams throughout the country are only half-full, simply because there is insufficient rainwater to fill them up. In some dams, full capacity has yet to be attained despite the decades that have passed since their completion.

Building a dam, particularly a big one, means not only trees, but a wealth of biodiversity that will be forever lost. People living at the dam site and in areas which are to be flooded will also be resettled. The net gain is, of course, a source of water for human consumption, agricultural and industrial use and electricity. The question is whether dam construction is the best solution to water scarcity in the alarming face of forest depletion and also given the failure of existing dams to store water.

Kaeng Sua Ten covers one of the last prime teak forests in Thailand. It is part of a gigantic water diversion scheme channelling the Ing, Kok and Nan rivers into the Yom to provide irrigation and hydro-electric power. The building of a dam across the Yom river will certainly help store water. But is there any guarantee that there will be adequate water available once the forest in and around the dam site which acts as a natural water absorbant is destroyed. There are already too many examples of dams which failed to fulfil their objectives.

Prime Minister Chuan Likphai was right, in one sense, when he said that had no dams been built in the past, the water crisis this year would have been much worse. But, in another sense, he is only partially correct because there might not have been a water crisis at all had we built fewer dams and concentrated more on protecting the forest canopy and reforesting the degraded areas.

Vietnam

Greetings, Celebrations Mark PRC National Day

Leaders Attend Reception

*BK3009151593 Hanoi VNA in English 1454 GMT
30 Sep 93*

[Text] Hanoi VNA Sept. 30—Chinese Ambassador to Vietnam Zhang Qing and his wife gave a reception here this evening on the 44th National Day of the People's Republic of China (Oct. 1st).

Among those present at the reception were Pham The Duyet, Politburo member of the party Central Committee, Tran Duc Luong, deputy prime minister, Vu Khoan, deputy foreign minister, members of the diplomatic corps and representatives of international organisations. Addressing the reception, the Chinese ambassador expressed his hope that with the efforts made by

China and Vietnam the friendly and cooperative relations between the two countries will be stable for a long time and further consolidated and developed.

In his reply, Deputy Prime Minister Tran Duc Luong said that the Vietnamese Government and people have always attached importance to the neighbourly friendship and cooperation with the Chinese people, and expressed his pleasure at the achievements recorded by the Chinese people over the past 44 years.

Ambassador Zhang Qing and Deputy Prime Minister Tran Duc Luong raised toasts to the further consolidation and development of the traditional friendly relations between Vietnam and China.

Also on this occasion a Chinese painting and calligraphy exhibition was opened here this morning by the Ministry of Culture and Information of Vietnam and the Chinese Embassy.

Leaders Send Greetings

*BK0110081393 Hanoi Voice of Vietnam Network in
Vietnamese 1430 GMT 30 Sep 93*

[Text] On the 44th PRC National Day, 1 October 1993, Party General Secretary Do Muoi, President Le Duc Anh, Prime Minister Vo Van Kiet, and National Assembly Chairman Nong Duc Manh extended their greetings to Jiang Zemin, CPC Central Committee General Secretary and PRC president; PRC State Council Premier Li Peng; and Qiao Shi, chairman of the Standing Committee of the PRC National People's Congress. The message says:

We are glad to see that, under the leadership of the communist party, the Chinese people have recorded many important achievements in national construction and development and in improving the people's life. On this occasion, we wish the Chinese people new achievements in the execution of their reform and open-door policies, thus making China prosperous and its people happy.

The message stresses: The party, state, and people of Vietnam have always attached importance to the neighborly relations of friendship between Vietnam and China and believe that, with the efforts made by the two countries, those relations will be constantly consolidated and developed, meeting the fundamental interests of the two peoples and benefiting peace, stability, cooperation, and development in the region and the world.

On the same day, SRV Foreign Minister Nguyen Manh Cam also sent national greetings to Qian Qichen, PRC deputy premier and foreign minister.

Friendship Association Get-Together

*BK2909155993 Hanoi VNA in English 1428 GMT
29 Sep 93*

[Text] Hanoi VNA Sept. 29—A get-together was held here this morning by the Central Committee of the

Vietnam-China Friendship Association to mark the 44th National Day of China (Oct. 1st).

Present at the get-together were Prof. Pham Nhu Cuong, deputy president of the Vietnam-China Friendship Association Nguyen Trung Hieu, secretary general of the Vietnam Union of Peace, Solidarity and Friendship Organizations, and Chinese Ambassador to Vietnam Zhang Qing [sentence as received].

Addressing the function Mr. Cuong highlighted the great achievements in national construction recorded over the past 44 years by the Chinese people under the leadership of the Communist Party of China. The Vietnamese people, he said, are glad at the above said achievements and wished the Chinese people still greater success in their transformation and open-door policy.

For his part, the Chinese ambassador highly appreciated the positive role of the Vietnam-China Friendship Association in the development of the friendly relations between the two countries. He noted that the two peoples enjoying the time-honoured tradition of friendship, particularly after the reestablishment of the bilateral relations, had exchanges and cooperation in various domains. The activities of the association will contribute to the further strengthening of the friendship and cooperation between the two peoples, he said.

Chinese Journalist Delegation Visits 20-27 Sep

BK2809143193 Hanoi VNA in English 1340 GMT 28 Sep 93

[Text] Hanoi VNA Sept. 28—A delegation of RENMIN RIBAO (THE PEOPLE'S DAILY) of China led by its Deputy Editor-in-Chief Wu Chunhe visited Vietnam from Sept. 20-27 as guest of the NHAN DAN daily.

It was received by Nguyen Duc Binh, Politburo member and secretary of the Communist Party of Vietnam Central Committee, who informed the guests of initial achievements in the renovation process in Vietnam and welcomed the exchange of visits and experience between the two papers, thus further contributing to the promotion of the friendship between the two countries, parties and peoples.

While here, the delegation also exchanged experience with the editorial board of the NHAN DAN newspaper, visited a number of production and cultural establishments in Hanoi, Ho Chi Minh City and Ba Ria-Vung Tau, and had a working session with the SAIGON GIAI PHONG (SAIGON LIBERATION) paper.

Communist Party School Delegation Visits PRC

BK2909121993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Sep 93

[Text] Accepting the invitation of the CPC Central Committee Party School, a delegation of the Ho Chi Minh National Institute led by Professor Tran Ngoc Hien, deputy director of the institute paid a working visit

to China from 13 to 24 September. The delegation exchanged theoretical issues on the building of socialism in Vietnam and China as well as experiences in cadre training in party schools with the CPC Central Committee Party School.

During its stay in China, the delegation visited party schools in Shanghai, Shenzhen, and Guangdong. It also visited some economic establishments and tourist attractions in Beijing and other localities.

Deputy Prime Minister Leaves for UN Assembly

BK0110151793 Hanoi VNA in English 1408 GMT 1 Oct 93

[Text] Hanoi VNA Oct. 1—A Vietnamese Government delegation led by Deputy Prime Minister Phan Van Khai left here today for New York to attend the 48th session of the UN General Assembly.

State Bank Delegation Meets IMF Director

BK0110082593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Sep 93

[Text] His Excellency Camdessus, director general of the International Monetary Fund, received a Vietnamese delegation led by Comrade Cao Sy Kiem, governor of the Vietnam State Bank, in Washington on 27 September. Also present were Mr. (Ismael), an executive director who represents Vietnam [dqaij diennj cho viettj nam] at the IMF, and Mr. (Neta), head of the IMF's Central Asia Department in charge of Vietnam. The director general expressed his joy over the fact that the relations between Vietnam and the IMF will soon be normalized. He also highly valued the successful efforts made by the government and people of Vietnam in their economic reform.

Possible IMF, ADB Loans to Vietnam Noted

BK2909130393 Hanoi Voice of Vietnam in English 1000 GMT 29 Sep 93

[Text] France, Japan, and other nations calling themselves "Friends of Vietnam" announced a financial package to clear Vietnam's arrears in the International Monetary Fund. A statement of 15-nation group says: the payment of \$140 million in arrears will pave the way for the IMF executive board to consider the loan to Vietnam to help its transition to the market-based economy.

The Asian Developing Bank may approve its first loan in nearly two decades to Vietnam next month despite the continuing U.S. trade embargo. Three infrastructure project loans totally more than \$200 million awaits for formal approval by the ADB [Asian Developing Bank] following years of negotiation with Vietnam. They include irrigation and flood control work in North Vietnam, upgrading of Highway No. 1 from Ho Chi Minh City to Nha Trang, and a water supply system for Ho Chi Minh City.

Vice President Receives U.S. Delegation 30 Sep

BK3009150993 Hanoi VNA in English 1449 GMT 30 Sep 93

[Text] Hanoi VNA Sept. 30—Vice President Nguyen Thi Binh received here this afternoon the visiting delegation of the American Center for International Leadership led by Hoyt Purvis, director of the Fulbright Institute of International Relations.

Speaking to her guests, the Vietnamese leader stressed that the Vietnamese state has always respected the solidarity and friendship with all countries and peoples in the world. Regarding the Vietnam-US relations, Vice President Nguyen Thi Binh pointed out: 'Vietnam is ready not to look back to the past but direct to the future'. Vice President Nguyen Thi Binh expressed her hope that through this visit the American guests will actively contribute to accelerating the normalisation of the two countries' relations in the interests of each people and for peace all over the world.

In reply, the American head delegate expressed his hope that he and his party on their [way] back to the U.S.A. will do what they can to promote the normalisation of the two countries' relations.

Deputy Head of the President's Office Hoang Tuan and Secretary General of the Vietnam-US Association Vu Xuan Hong were present at the reception.

Minister Welcomes Return of IBM Computer Company

BK3009122493 Hanoi Voice of Vietnam in English 1000 GMT 30 Sep 93

[Text] Science, Technology, and Environment Minister Dang Huu has welcomed the return of IBM—a giant company in computer frames industry of the USA—after 18 years' absence from Vietnam. IBM is to provide Vietnam with technical assistance in designing key computer networks.

Do Muoi Postpones Malaysia Leg of 3-Nation Tour

BK3010011193 Bangkok BANGKOK POST in English 30 Sep 93 p 10

[By Suphaphon Kanwirayothin]

[Text] Hanoi—Vietnamese Communist Party chief Do Muoi has postponed a scheduled visit to Malaysia that was to have been the first leg of his official tour to three ASEAN states next month.

Diplomatic sources said the postponement follows a request from Malaysia, which is caught up in intense internal politics. Moreover, Prime Minister Mahathir Mohammad—who would be Mr Do Muoi's host—will be away from the country for the 48th United Nations' General Assembly now under way in New York.

The postponement means Mr Do Muoi is unlikely to visit Malaysia this year as Vietnamese leaders will be tied up with preparations for the National Conference of the Communist Party of Vietnam, a crucial mid-term review following the Seventh Party Congress in 1991.

Under initial plans, Vietnam's 76 year-old political leader was to visit Malaysia from October 2-5, Singapore from October 5-8 and Thailand from October 15-18.

The revised schedule makes Singapore the first capital of the Association of Southeast Asian Nations (ASEAN) to be visited by the Vietnamese Party chief since the end of the Cold War and the settlement of the Cambodian problem.

According to ASEAN sources, Malaysia and Vietnam are working out a new date convenient to both sides. But that new date is unlikely to be soon owing to the respective domestic agendas of both countries.

The national conference, which will chart the future course of Vietnam's reforms under dynamic circumstances, makes it virtually impossible for senior Vietnamese figures to go abroad between now and early next year.

Party Official on Do Muoi's Upcoming Visits

BK3009160893 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Sep 93

[Text] On the occasion of the coming visit of the Party General Secretary Do Muoi to Singapore and Thailand, Comrade Hong Ha, secretary of the party Central Committee and director of the party External Relations Department, gave an interview to the QUAN HE QUOC TE [INTERNATIONAL RELATIONS] Magazine. The questions and answers are as follows:

[QUAN HE QUOC TE] In this month, Comrade Do Muoi, General Secretary of the Communist Party of Vietnam will officially visit a number of Southeast Asian countries. You will be a member of the delegation. Could you please outline the activities of comrade general secretary at those countries?

[Hong Ha] At the invitation of His Excellency Goh Chok Tong, prime minister of Singapore, general secretary of the People's Action Party (PAP), and His Excellency Chuan Likphai, prime minister of Thai Kingdom, Comrade General Secretary Do Muoi will officially visit the Republic of Singapore and the Thai Kingdom soon. According to the plan, Comrade General Secretary Do Muoi will have meaningful activities at the two countries.

In Singapore, the comrade general secretary will hold meetings and discussions with the high-level leaders of Singapore. During the visit, the comrade general secretary will also visit a number of important economic, cultural, and social agencies and establishments in Singapore.

In Thailand, the comrade general secretary will hold meetings and discussion sessions with the high-level leaders of Thailand. The comrade general secretary will meet with many Thai businessmen and visit some localities and some important economic and cultural establishments in Thailand.

[QUAN HE QUOC TE] Is there any difference between the visit of a communist party leader and visit of a state or government leader?

[Hong Ha] In the current situation of the world, the meetings and contacts to make acquaintances and exchange views among highest-level leaders of countries, regardless of their political regime, are necessary. They contribute to enhancing mutual understanding and trust which are beneficial for peace, stability, and development. The official visit of Comrade General Secretary Do Muoi will contribute to further improving state relations between us and those two countries.

[QUAN HE QUOC TE] Comrade, would you please tell us something about the significance of the visit to a number of ASEAN member countries by the general secretary of the Communist Party of Vietnam?

[Hong Ha] By itself, the first official visit to Singapore and Thailand by Comrade General Secretary Do Muoi has testified to the important significance of the event. The visit takes place at a time when the international and regional situations have undergone many far-reaching changes. The trends of peace, stability, and cooperation are prevailing in the Asia-Pacific region and Southeast Asia. As far as our people's renovation undertaking is concerned, we have scored great and important achievements. Our foreign policy based on independence, sovereignty, openness, and diversity has recorded many fine results and has been welcomed by public opinions in the region and other parts of the world. The relations between Vietnam and Singapore, between Vietnam and Thailand, as well as between Vietnam and other neighboring countries and ASEAN member countries have undergone positive changes and have shown many bright prospects. Vietnam has participated in the Bali Treaty and has gained its observer status with ASEAN. It is the desire of the ASEAN member countries to have Vietnam participate in the various ASEAN forums and cooperation mechanisms. The international situation, however, still remains complicated. A number of factors of instability still exist.

The visit to Singapore and Thailand by Comrade General Secretary Do Muoi is very meaningful. First, it will help strengthen the friendly and cooperative ties between Vietnam and Singapore, and between Vietnam and Thailand. It will also testify to the importance of Vietnam's foreign policy toward countries in Southeast Asia, and of the relations between Vietnam and neighboring countries—each individual ASEAN country in particular. That policy is designed to contribute to consolidating peace, security, cooperation, and development in the region without affecting a third country.

This visit will contribute to bringing the relations between our country and ASEAN member countries—Singapore and Thailand in particular—to a new level of development with higher results. The visit will provide General Secretary Do Muoi with an opportunity to exchange views with the Singaporean and Thai leaders on a number of important regional issues of common concern. At the same time, it will create conditions for the general secretary to study the socioeconomic management experiences drawn by the aforementioned countries.

Radio on End of Indian Vice President's Visit

BK2909110193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Sep 93

[Text] Accepting the invitation of Vice President Nguyen Thi Binh, Indian Vice President Narayanan and his wife paid an official friendship visit to our country from 22 to 28 September. During their stay in Vietnam, Vice President Narayanan and Indian guests visited Ho Chi Minh's mausoleum and his living and working quarters. The vice president also visited some economic, cultural, and social establishments in Hue, Da Nang, Vung Tau, and Ho Chi Minh City. He paid courtesy visits to Party General Secretary Do Muoi, Party Adviser Pham Van Dong, President Le Duc Anh, and Prime Minister Vo Van Kiet. Vice President Nguyen Thi Binh held talks with the visiting vice president.

In those talks and meetings, the high-ranking leaders of our party and government expressed their joy at the economic achievements recorded by the Indian people after more than two years of implementing their economic reform. They highly valued India's foreign policy of peace, friendship, and nonalignment, and welcomed India's positive contributions to peace and cooperation in Southeast Asia and the Pacific, and to the development of the nonalignment movement's great role in the new world situation.

Vice President Narayanan highly evaluated the important achievements of Vietnam's socioeconomic renovation. He expressed his belief that the Vietnamese people, with their determination, diligence, and creativeness, will successfully carry out the renovation.

The two sides expressed their happiness at the fine development of the Vietnam-India friendship and multifaceted cooperation in the past years, especially after the visit to India by Party General Secretary Do Muoi. They held that given a foundation of good relations and mutual trust in the political area, Vietnam and India need to better exploit their potentials for the efficient acceleration of economic, commercial, scientific, technological, and cultural relations to better serve the task of economic development in each country. They agreed to quickly apply measures to increase the volume of trade, including the exchange of goods and improvements in joint venture cooperation in the fields of infrastructure and medium and small industries.

The Indian vice president stated that India is ready to expand its assistance to Vietnam in the training of scientific, technological, and business management cadres.

The two sides agreed to hold their sixth regular meeting early next year in Hanoi to review the implementation of agreements in the past and to outline concrete cooperative areas in the future.

Vice President Nguyen Thi Binh thanked the vice president, government, and fraternal people of India for their precious support and assistance to Vietnam's national construction and protection of the Vietnamese people both now and in the past.

Vice President Narayanan invited Vice President Nguyen Thi Binh to visit India. The vice president thanked him and accepted the invitation.

In the 28 September morning, Vice President Narayanan, his wife, and Indian guests left Ho Chi Minh City, successfully concluding their official friendship visit to our country. Seeing off the vice president at Tan Son Nhat Airport were Minister Nguyen Viet Dung, director of the Presidential Office; Truong Tan Sang, chairman of the Ho Chi Minh City People's Committee; Vu Xuan Ang, ambassador to India; and representatives of departments, sectors, mass organizations, and people of Ho Chi Minh City. Indian Ambassador Malik and many cadres of the Indian Consulate in Ho Chi Minh City were also present at the farewell.

Bulgarian Foreign Ministry Delegation Visits

BK2909150993 Hanoi VNA in English 1433 GMT 29 Sep 93

[Text] Hanoi VNA Sept. 29—A delegation of the Bulgarian Foreign Ministry led by its secretary General E. Apostolov paid a working visit to Vietnam from Sept. 23-29.

During its stay here, the delegation was received by Foreign Minister Nguyen Manh Cam.

The delegation had working sessions with Vice Foreign Minister Nguyen Dy Nien. The two sides exchanged views on the bilateral relations. They expressed their pleasure at the maintenance and development of the relations of traditional friendship and cooperation between Vietnam and Bulgaria in the interests of the two peoples and for peace and international cooperation. They discussed measures to further promote the bilateral relations in the coming time including the re-holding of their inter-governmental committee on economic, scientific-technical cooperation and the early signing of agreements on investment promotion and guarantee and double taxation.

Bulgarian Ambassador B. Stoytchev was also present at the events.

Energy, Trade Ministers' Visits to Australia Noted

BK2909125093 Hanoi Voice of Vietnam in English 1000 GMT 29 Sep 93

[Text] Vietnamese Energy Minister Thai Phung Ne is now in Australia to talk on electricity supply and generation. Mr. Ne is later to meet with state and federal governments and businesses, including the Victoria State Electricity Commission.

Meanwhile, Vietnamese Trade Minister Le Van Triet will visit Australia next week for high-level talks. Mr. Triet will also attend a third annual Australia-Vietnam joint trade and economic cooperation meeting together with his Australian counterpart Peter Cook.

Buddhists Stage Peaceful Demonstration in Hue

BK3009162493 Hong Kong AFP in English 1545 GMT 30 Sep 93

[Text] Hanoi, Sept 30 (AFP)—About 300 Buddhists staged a demonstration in the central Vietnamese city of Hue to denounce government repression against the heads of the Unified Buddhist Church of Vietnam (UBCV), the dissidents said in a communique Thursday.

The communique received in Hanoi from the Overseas Information Service of the UCBV, said the demonstration on Monday was triggered by an unconfirmed rumor that the Venerable Thich Tri Tuu, the head of the Linh Mu pagoda, had died in custody.

The demonstrators, who had been armed with torches in preparation for a night-long vigil, dispersed without incident late Monday evening after authorities assured them the monk was still alive.

The Venerable Thich Tri Tuu was arrested in early June following violent confrontations between his followers and security forces in Hue on May 24. According to the dissidents, the head monk had staged several hunger strikes in prison and was seriously ill.

Buddhist dissident chiefs refuse, citing a 2,000 year old tradition, to come under the communist government which in 1981 set up an official church in an effort to bring some 50 million Vietnamese Buddhists under a single authority.

The dispute sharpened in April of 1992 on the death of the Venerable Thich Don Hau, the Buddhist patriarch of Hue, when the dissidents and authorities fought over his will.

Hanoi authorities recently warned the patriarch of the dissident church, the Venerable Thich Huyen Quang, to "stop anti-government activities", and refused to recongise his position.

The dissidents say the patriarch has refuted government accusations and said he was determined to exercise his "legitimate" duties as the patriarch of the unified Buddhist church.

'Senior Party Leader' on Search for New Goals

*BK3010013393 Bangkok BANGKOK POST in English
30 Sep 93 p 4*

[Article by Suphahon Kanwirayothin in Hanoi: "Vietnam Party Leaders in Search of New Directions"]

[Text] Food production has reached sufficiency target. The bourgeoisie is emerging. Rural poverty and massive unemployment persist. The ageing leadership needs young blood. So where does the Communist Party of Vietnam go from here?

These aspects of Vietnam's internal dynamics were not clearly foreseen when the Party held its Seventh Congress two and a half years ago. Since then, so many things have happened, at a speed and magnitude unprecedented in the past. The mid-term National Conference which the Party has decided to hold will tackle these questions, among many others.

The National Conference—the first of its kind in the history of Vietnam, and to be attended by 660 delegates (half the number of the Seventh Congress's participants)—is planned for late January 1994 and will last about a week, a senior Party member told the BANGKOK POST.

The new timetable, against the original plan for early December this year, emerged amid "difficulties" in concluding the ongoing debate of how far and how fast reform should proceed, and the leadership shake-up this implies.

At the heart of such complex issues as rural poverty, shifting of emphasis from agriculture-based to industry-oriented strategies, lies the question of the Party's survival, diplomats and informed observers say.

The Seventh Congress put so much emphasis on agriculture. But since Vietnam has become self-sufficient, and the world's third largest rice exporter, and now that the country is finally getting access to international credits, it is time to shift the gear towards industrialisation.

"For instance, the Seventh Party Congress addressed this matter of key economic zones, but in the context of food production. Now it's high time to think about infrastructure, promote industrial development in these three key areas," said the Party member.

These three zones, envisaged in the "growth triangle" model, link Hanoi, Hai Phong and Quang Ninh in the north; Hue, Danang and Khanh Hoa in the central region; and Ho Chi Minh City, Dong Nai and Baria-Vungtau in the south.

Following US President Bill Clinton's July 2 move to unblock international credits, Vietnam has now cleared arrears with the International Monetary Fund with the help of friendly countries, and become eligible for fresh loans, mainly for infrastructure, from the World Bank, Asian Development Bank, besides from bilateral donors like Japan.

"It's more democratic to discuss all these important issues at the National Conference, than at the Central Committee Plenum level," said the Party source.

The National Conference will "hear" explanations of contradiction between the Party's resolution prohibiting members to "exploit" others, and the reality in which Party members have been doing businesses, and successfully so in some cases.

In yet another crucial question, the Party will attempt to define the relationship and legal status among three categories of entities, namely state enterprises, shareholding companies, and private companies.

"Until today, there has been no satisfactory answer to those questions," he said.

There are also no satisfactory answers yet to the question of candidates for three new members the Party wants to add to the present line-up of 13 in its politburo.

Besides the soul-searching debate, the National Conference will elect 16 new members to the Central Committee. But they may or may not fill up the quota of 15 from the list of 20 nominees, Party sources said.

The Central Committee will hold a plenum after the National Conference whereby the additional politburo membership will be endorsed.

According to the sources, these three new politburo members will be chosen, in conformity with tradition, by equal geographic representation: One provincial Party chief each from the northern mountainous area, central provinces and the Mekong Delta.

To date no candidacy is confirmed for the potential politburo members. The Party's search for "young, knowledgeable, with proven track records," is like a quest for the Holy Grail.

The current debate in the selection process for the Mekong Delta region deals with whether the person should be really "young," or would a middle aged candidate do? In the central provinces, it is virtually impossible to find a "young" provincial Party boss.

Many observers also have their attention focused on the future of embattled Prime Minister Vo Van Kiet, who is getting unpopular for many reasons, ranging from the troubled North-South powerline project, to his decision to ban timber exports which deprive provincial Party apparatus of their main income.

However, the senior Party member as well as diplomats said Mr Kiet remains the most viable government leader in today's Vietnam.

"No man can be perfect.... In general, the Prime Minister still enjoys good standing among the people because he has the courage to decide and act promptly, and because of his contribution to reforms of the country's administrative structure," said the Party member.

The same Party member expressed confidence that "there will be no changes in Vietnam's leadership until 1995, unless for health reasons.

Leaders Participate in Moon Festival Activities

BK3009062993 Hanoi VNA in English 0619 GMT 30 Sep 93

[Text] Hanoi VNA September 30—Children's mid-autumn festival which falls on today this year has been celebrated nationwide.

Party General Secretary Do Muoi yesterday joined the children in the festival held at the Thanh Xuan Peace Village in downtown Hanoi built with financial help from the Oberhausen Peace Village and the Government of the Federal Republic of Germany for handicapped children.

President Le Duc Anh and Mayor of Hanoi Pham The Duet attended celebrations at the Hanoi Children's Palace yesterday evening.

For her part, Vice-President Nguyen Thi Binh attended a ceremony in Hanoi yesterday to mark the 10th anniversary of children's weekly NHI DONG, which has been awarded a labour order, first class, for its achievements in the past 10 years.

A get together of about 3,000 children held yesterday on the outskirts of Hanoi was honoured by the presence of Prime Minister Vo Van Kiet who presented them with gifts on the occasion of their festival.

Science, Technology Union Elects New Committee

BK2909030193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Sep 93

[Text] The third congress of the Vietnam Union of Science and Technology Associations concluded today after meeting for a day and a half. The congress passed the orientations and lines of the union for the coming office term 1993-98. The union's amended regulations were also passed. The congress also elected the Central Standing Committee, which includes 11 members. Professor Ha Hoc Trac was elected president of the union and Professor Academician Tran Dai Nghia as honourable president. The deputy presidents are Pham Sy Liem, Phan Huy Le, and Nguyen Huu Tang. Ho Y Liem was elected general secretary of the union.

Energy Official on Coal Industry Development

BK3009150193 Hanoi VNA in English 1446 GMT 30 Sep 93

[Text] Hanoi VNA Sept. 30—In the first half of this year, Vietnam's coal export volume was only 660,000 tonnes. This has caused worries about possibly bad affects on Vietnam's newly gained position in the international market.

In 1992 Vietnam exported 1.6 million tonnes of coal, the highest level in the past 15 years, and won a silver prize for quality from the International Quality Management (IQM).

According to Deputy Minister of Energy Nguyen Duc Phan, the cause of the export drop is on one hand the country's unplanned exploitation, consumption and export of coal, and on the other hand, changes in demands for coal in the world.

The Vietnam's policy on energy development is based on three main resources: oil and gas, electricity and coal. For many years now, coal industry has been considered a key branch in the development of the country's economy. The construction and development of [words indistinct] plants, especially the operation of three first generators of the Hoa Binh hydro-electric power plant rendered to the reduction of the capacity of thermal-electric power plants in the north, and subsequently the coal consumption of those plants was also reduced remarkably. The coal demand of other sectors dropped to around 3 million tonnes/year only.

'The government will further enhance the management and investment in the field of coal production, consumption and exportation', said Deputy Minister Phan.

'The situation will be better when entering 1994', continued Mr Phan. He said that when the 500 kv trans-Vietnam transmission line is put into operation, the Pha Lai, Uong Bi and Ninh Binh thermal-electric power plants will operate to their full designed capacities. Moreover, the coming operation of 7-8 cement factories and the launching of a rural electrification programme will raise coal demands in the country to 11-12 million tonnes, more than two times over the present figure. The Ministry of Energy has submitted to the government a plan on investment in restoration and development of the coal industry.

'In order to have an annual output of 10 million tonnes of coal from now to the year 2000, the coal sector should have an investment of 3,000-4,000 billion VN dong right now. The government has agreed to temporarily invest 300 million US dollars (about 3,000 billion dong) in the coal industry,' said Mr. Phan.

Summer-Fall Rice Harvested in Southern Provinces

BK0110095693 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Sep 93

[Text] The southern provinces have basically harvested more than 1 million hectares of summer-fall rice so far. Almost all the provinces have attained good results in all

the three domains—sowing area, output, and volume of production. The average rice output of the eastern Nam Bo provinces is estimated at 30 quintals per hectare and those in the Mekong Delta provinces at approximately between 37 and 38 quintals per hectare. In particular, the summer-fall rice output of six provinces—An Giang, Tien Giang, Vinh Long, Soc Trang, Can Tho and Minh Hai—were over 40 quintals per hectare.